ACCREDITING COMMISSION for COMMUNITY and JUNIOR COLLEGES

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

MEMO TO: Dr. Robert Jensen
Interim Superintendent/President
Solano Community College
4000 Suisun Valley Road
Suisun, CA 94585

FROM: Barbara A. Beno, President *Barbara A. Beno*

DATE: May 21, 2009

SUBJECT: Enclosed Report of the Evaluation Team

Previously, the chairperson of the evaluation team sent you a draft report affording you the opportunity to correct errors of fact. We assume you have responded to the team chair. The Commission now has the final version of the report.

The Accrediting Commission for Community and Junior Colleges follows a policy of providing a copy of the final evaluation visit report to the chief executive officer of the visited institution prior to consideration by the Commission. Please examine the enclosed report.

- If you believe that the report contains inaccuracies, you are invited to call them to the attention of the Commission. To do so, a letter stating recommended corrections should be directed to the ACCJC President and signed by the chief executive officer of the institution. The letter should arrive at the Commission office by **May 29, 2009** in order to be included in Commission materials.
- ACCJC policy provides that, if desired, the chief administrator may request an appearance before the Commission to discuss the evaluation report. The Commission requires that the institution notify the Commission office by **May 29, 2009** or earlier of its intent to attend the meeting. This enables the Commission to invite the team chair to attend. The next meeting of the Accrediting Commission will be held on **June 9-11, 2009** at the San Francisco Airport Marriott. The enclosure, "Appearing Before the Commission," addresses the protocol of such appearances.

Please note that the Commission will not consider the institution as being indifferent if its chief administrator does not choose to appear before the Commission. If the institution does request to be heard at the Commission meeting, the chairperson of the evaluation team will also be asked to be present to explain the reasons for statements in the team report. Both parties will be allowed brief testimony before the Commission deliberates in private.

The enclosed report should be considered confidential and not given general distribution until it has been acted upon by the Accrediting Commission and you have been notified by letter of the action taken.

BAB/tl

Enclosure

cc: Dr. Robin L. Steinback, Accreditation Liaison Officer (w/o enclosure)

MAY 21 2009

Show Cause Report

Solano Community College

400 Suisun Valley Road

Fairfield, CA 94534-3197

A Report Prepared for the Accrediting Commission for Community and Junior Colleges

This report represents the findings of the evaluation team that visited

Solano Community College

On April 27, 2009

Chair	Title	Institution
John S. Nixon, Ph.D.	President	Mt. San Antonio College
Team Members		
Vince Brown	VP Human Resources	San Joaquin Delta College
Jon Stephens, Ed.D.	VP Business Services	San Joaquin Delta College
Ronald Taylor, Ph.D.	President	Feather River College

Introduction

The last comprehensive evaluation of Solano Community College was in October 2005. The College was given eight recommendations, some of which repeated in whole or in part recommendations also given by the 1999 comprehensive evaluation team. In January 2006, the Commission acted to reaffirm accreditation but required the college to submit a Progress Report on all recommendations in March 2007. In June 2007, the Commission concluded that the college had failed to address recommendations 6, 7 and 8. The Commission imposed Warning status, required the college to resolve the deficiencies that informed those recommendations, and submit a report in October 2008. A normal midterm report, imposed at the time of the last comprehensive evaluation, was also due in October 2008. In October 2008, Solano Community College submitted a Special Report on Recommendations 6, 7 and 8, as well as a Midterm Report.

In September 2008, the college president, who had been appointed from within after two failed searches, resigned. An Acting President was appointed, and the Chief Business Officer was placed on administrative leave. The institution found it difficult to understand its own financial conditions, and state level reports on enrollment, submitted for purposes of claiming state funding, were rejected by the State. In October 2008, the Board of Trustees commissioned an Administrative Review and a Fiscal Health Analysis from the Education Management and Assistance Corporation (EdMAC), the results of which triggered several actions by the Board.

The evaluation team that visited Solano Community College in November 2008 found an institution facing significant deficiencies in meeting Eligibility Requirements and Standards. The College was found out of compliance with ER 3, Governing Board; ER 4, Chief Executive Officer; ER 5, Administrative Capacity; ER 17, Financial Resources; ER 18, Financial Accountability; ER 19, Institutional Planning and Evaluation; ER 21, Relations with the Accrediting Commission. The team also found that the institution had not fully addressed recommendations given to it by the previous comprehensive evaluation team, numbered as Recommendations 1, 2, 3, 4, 6, 7, 8. The November 2008 team report provided an analysis of institutional conditions, reworded some of the 2005 team recommendations in order to provide greater clarity to the college, and added Recommendation 9.

In early January, 2009, the seriousness of the findings of the Administrative Review and a Fiscal Health Analysis prompted the State Chancellor to address the Board of Trustees and recommend that the Board hire a Special Trustee to give the college fiscal and administrative stability and leadership. Under unique circumstances, the Special Trustee would have the ability to veto governing board and administrative decisions that were ill-advised, to investigate internal fiscal conditions that led to the fiscal audit findings, and to make changes to institutional practice to correct exceptions to sound fiscal management. The Board deliberated for a few days before offering a contract to Mr. Tom Henry to serve as Special Trustee from January 2009 through June 2010. The Contract with the District and the Special Trustee provided for the designation of a Special Trustee by the State Chancellor and assigned duties under Section 58312 of Title 5 of the California Code of Regulations. (The Special Trustee will remain under contract at least until the college is removed from ACCJC sanction.)

At the January 2009 meeting, due to the significant deficiencies noted at the college, the Commission acted to impose Show Cause and require that Solano Community College take action immediately to resolve all deficiencies or have its accreditation terminated.

Solano Community College has experienced significant changes affecting leadership since the October and November 2008 reports and visit. After hiring an experienced Special Trustee, the Board next acted on his recommendation to hire an experienced and recognized interim president, allowing the then interim president to return to her official position as Vice President of Student Services.

Following Commission action to place the college in Show Cause status, the President of ACCJC conducted a training workshop for the Board of Trustees in February 2009 and met with the college community on accreditation and the respective roles of all college constituencies, including the Board and President. In addition, the Board contracted with a nationally recognized consultant to lead the search for a permanent president and to consult with the Board on policies and practices related to ethics and the Board's appropriate policy role in governance. The work with the consultant also included several board self-evaluation activities, well documented in the institution's Show Cause Report. In January 2009, the Board adopted a code of ethics, and in April the Board hired a permanent president, who will take office in July.

The College submitted a Show Cause Report on April 1, 2009. A team comprised of four members conducted a Show Cause visit to the college on April 27, 2009. The team believes the Show Cause Report was conscientiously prepared, and honestly represents the condition of the college at the time of submission. The welcome received by the team was warm, and the visit was effectively facilitated by the Interim President and support staff. Individual faculty, staff and administrators willingly made themselves available for interviews, and were very forthcoming in response to interview questions. Moreover, the evaluation team detected a consistent spirit of concern among all staff and board members for the well-being of the college. Dedication and devotion to the college, its mission and its students were evident at every turn.

The evaluation team conducted interviews with 24 individuals and groups, including all trustees, senior administrators, Special Trustee, and leaders of all college constituencies. The interviews, together with the evaluation team's reading of the Show Cause Report, earlier evaluation team reports, EdMAC Fiscal Health Analysis, local audits, and other Show Cause supporting evidence, constitute the basis for the observations, analyses, and conclusions of this report.

Discussion of the Institution's Responses to Recommendations

Recommendation 1

It is the responsibility of every constituent group at Solano College, including the Board of Trustees, to participate in productive dialogue, as defined by accreditation standards, that engages the entire college in identifying strengths and weaknesses of the college, and every constituent group must commit to action that improves educational quality and student learning. The college must proceed immediately to take this action and should not allow operational or collective bargaining issues to distract them from participating in planned opportunities for this dialogue, timely implementation of changes for improvement resulting from that dialogue, and assessment of the results of implemented changes. (I.B.1, II, and IV)

Findings and Analysis

Solano Community College has made some significant developmental changes in response to the ACCJC Show Cause Letter. Based upon interviews with Trustees, senior administrators, and faculty and staff leaders, it was apparent to the evaluation team that all college constituencies understand the intentions and importance of institutional dialogue that focuses on student learning. All those interviewed expressed commitment to newly revived and developed planning processes, noting that old tensions and distractions related to leadership have subsided.

The college is governed by an elected Board of Trustees. It has an interim president and a Special Trustee. The Board of Trustees has hired a new president, who will take office on July 1, 2009. The Special Trustee will remain under contract until the college is off Commission sanction and the Interim President will remain on campus until the new president has been oriented to the college.

Shared Governance Council minutes and open discussion comments with interviewees suggest that the college's culture has changed, now reflecting an understanding for the need for participatory, productive dialogue. Interviews and review of meeting notes indicate that college constituencies are working collaboratively to refine and define processes for integrated planning, with some emphasis on linking institutional planning with resource allocation. In addition, the Interim President has initiated dialogue through committee venues on development of the off-campus centers and on the need to evaluate and redefine programs and services for students in need of basic skills development. The Board is not inserting itself into the operational or participatory governance work of the college, and the Interim President is leading efforts to revive and redefine participatory governance. The Interim President reported, however, that the role of the faculty union in governance issues is too often confused with the role of the Academic Senate, resulting in overlap and contradiction on some issues.

The evaluation team confirmed that the change in climate and behavior is still in a developmental stage, but it appears to be a significant and welcomed change, as evidenced by the various drafts of codes of conduct developed by college constituencies. The sustainability and growth of this new culture will require encouragement and support from the new President, as well as the Board of Trustees and Special Trustee.

Conclusion

Although a great deal of work remains, the college has made progress toward mitigating the deficiencies cited in the recommendation. Solano Community College has engaged a new President/Superintendent who will begin leading the institution on July 1, 2009. The understanding, obtained through interviews, is that both the Interim President and the Special Trustee will remain, in some defined capacity for a sufficient period of time to provide for an orderly transition.

<u>Recommendation 2</u>

Improving Institutional Planning: In order to improve institutional planning, the College should clarify and simplify its terminology and processes used in planning so that the vocabulary is more easily understood and accepted institutionally, the planning processes are more integrated, and the plans actually get implemented. (I.A.4, I.B.3, ER 19)

Findings and Analysis

The college has made progress in integrating institutional planning since the November 2008 report and visit, as evidenced by the newly designed Integrated Planning Process (IPP). The evaluation team reviewed documents cited in the Show Cause Report and interviewed constituency leaders who are engaged in institutional planning and verified that the college is working diligently to refine and update the (2004) Integrated Evaluation, Planning and Budgeting Process. The updated process, IPP, incorporates program review, SLO assessment, the college's Strategic Goals and Objectives, and Educational Master Plan. The Process Evaluation and Review Team (PERT) is the principal agent of this significant progress, along with the Vice Presidents, who have encouraged and supported the work. There is a general, broad-based acceptance among faculty and staff that integrated planning is an urgent institutional need. Along with the individuals on the PERT, the Academic Senate has taken a significant leadership role in this change process, which is a positive change from behavior of the recent past, when the Senate was not willing to participate.

It must be noted, however, that the most significant adjustments to institutional planning are very recent, and the college must still achieve institution-wide understanding and acceptance of the various aspects of the planning process embodied in the IPP. The PERT members have planned specific trainings for summer and fall.

At the time of the November 2008 report and visit, the visiting team confirmed that the Educational Master Plan (EMP) was generally accepted as a driving force for institutional planning. Interviews then confirmed a general understanding of the linkages between the 2006-09 Strategic Plan goals and objectives, and the EMP. Moreover, the college had just recently established a new strategic proposal process, in which members of the college community invested optimism. Nevertheless, the November 2008 visiting team found little evidence of implementation of plans, nor of effective linkage between planning and budget development.

Since the November 2008 report and visit, the college has successfully completed a full cycle of the Strategic Proposal process, in which seven fully developed proposals were vetted, reviewed and ranked by the Shared Governance Council (SGC) and the Financial & Budget Planning Advisory Council (FaBPAC), with one proposal emerging as a recommendation to the Executive Cabinet and the Superintendent/President (the Umoja proposal). Based on interviews with staff who participated in, or assisted with, this process, there is confidence that the Umoja proposal will indeed be implemented at some level in 2009-10, even given the financial exigencies facing the college. The very process of proposing and reviewing this project, together with the creativity of the proponents, has ensured implementation. Albeit a single instance, this completion of an activity defined within the institutional planning process, resulting in allocation of resources, based on assessment of data and driven by strategic goals, demonstrates the college's ability to develop and sustain a realistic planning cycle. All college constituencies have demonstrated to themselves and to the Commission that it can be done.

In February and March of this year, members of PERT presented a comprehensive process for integrating planning and evaluation processes, linking them to budget development. Their work, called the IPP, is made up of process elements that are already in existence and operational (Program Review, Strategic Proposals, 3-Year Plans, Strategic Plan Measures & Goals, and so forth). They have drafted a manual describing the IPP, its parts, and how those parts are intended to interface with the existing shared governance processes of the college. The draft manual outlines in detail the steps and forms that were used recently by SGC and FaBPAC to rank seven proposals.

Despite these concrete steps, however, at the present time not all aspects of the IPP are widely understood or effective, and they have certainly not been fully implemented. The traditional 3-Year Plans, for example, which are detailed in the IPP manual, are not kept up in all instructional divisions; nor is it yet clear whether they will serve as an effective planning tool for non-instructional areas. Some staff would even welcome a thorough review and revision of the purposes and format of the traditional 3-Year Plans. (It was noted, for example, that the format does not encourage or enable reporting of achievements)

Other parts of the envisioned IPP are also in need of clarification and confirmation. In relation to the new process for reviewing Strategic Proposals, comments at the FaBPAC meeting in late February were revealing; members were clearly grappling with how to respond to the proposals under discussion, and returned some of them to their authors or to other groups for further review. Decision-makers were still coming to terms with intended distinctions between operational and strategic proposals and needs.

Moreover, understanding and acceptance of the intended integration is currently a work in progress. In late February, an Academic Senate discussion characterized the terminology and flowchart representing the IPP as "difficult to understand." While these may be individual voices in an institution that is ready to move ahead with integrated planning, they are undoubtedly symptoms of a change process that is still in the midst of implementation, and experiencing the uncertainties and resistance that are predictable with any institutional change. As recently as the March 4, 2009, meeting of the Shared Governance Council, with the new Interim President in attendance, the Council was still grappling with mapping the timeline and elements of a complete cycle.

The November 2008 team report noted "confusion and ... concern because of a lack of transparency regarding implementation of plans at the college." Virtually every respondent offered testimony, unsolicited, that there is a new transparency at the college, regarding the planning issues, the process for addressing the accreditation recommendations, and budgetary reporting. A few went further to indicate that with the completion of Banner implementation, the college is on the cusp of a broader and more confident use of data in decision-making. The evaluation team believes that the concern about transparency in relation to planning has been addressed.

Another concern noted in the November 2008 team report was that the college's two new centers had been established without adequate planning for the necessary increase in staffing to operate the centers. In the Show Cause report, the college has demonstrated in great detail that this planning had indeed occurred, and yet has acknowledged that "this past planning did not truly meet the standard of integrated planning and implementation because there was no over-arching planning process" at the time. The college's recognition of this fact is a healthy sign that a similar lapse will not recur. One of the key lapses in the planning for the centers appears to have been a failure to consult all college constituencies—and yet the very constituency most affected by the former lapse (classified staff) indicated that such a lapse is not likely to recur, given the current governance climate and the broad-based dedication to effective planning.

Other impediments to effective integrated planning that were noted in the November 2008 team report, such as the lack of a quorum in shared governance groups such as FaBPAC, clearly have been addressed. And the college's self-assessment of progress on Student Learning Outcomes, as represented in the Show Cause report, appears correct. They have made great progress in that realm, and the progress continues on track for 2012.

Still, it should be emphasized that much remains to be done for the college to achieve "sustainable continuous quality improvement" in integrated planning. As mentioned above, not all constituents understand the elements and integration embodied in the IPP; the members of PERT themselves see this need and have planned trainings to address it. They also see a need for better representation of classified staff in the development of the processes. Beyond the need for understanding and acceptance, however, some parts of the IPP may need revision in order achieve the consequences envisioned. In response to the Show Cause report, for example, the college conducted an exhaustive search for instances of linkage between planning and budgetary decisions, and found many—but acknowledged that they were "uncoordinated" and that they "revealed a scattershot, sometimes opaque process."

The college is commended for conducting a study of its decision-making history, but the very fact of the number and variety of those instances leads one to wonder whether all such historical linkages (representing presumably real practical needs that were addressed) can be accommodated by the new Strategic Proposal or Operational Proposal format. In discussions with staff, the evaluation team learned that some advocacy for, and allocation of, resources appears to transpire in the administrative chain of command—via the Academic Leadership Council, for example. This process does not appear in the flowchart that summarizes the IPP. In the IPP, as envisioned, all proposals go through the SGC and FaBPAC before getting to the Executive Cabinet for disposition. It is likely that details handled currently via the administrative chain of command should become part of a regular annual budget development process that is vetted in shared-governance oversight groups—but the IPP process has simply not reached that level of refinement at this point. The PERT group recognizes the need, as noted in the Show Cause report, "The PERT is currently analyzing processes to identify linkages that need improvement in order to enhance transparency and ensure adequate dissemination of information."

It should be noted, moreover, that the level of transparency and effectiveness sought by PERT, and along with it the full integration of planning with budget development, will not likely occur until the Vice President of Administrative Services position is filled, and all Vice Presidents are instructed by the President to understand and implement the process, as designed.

Conclusion

While the college has accomplished a great deal in relation to this recommendation, and while there are very positive signs that the college is on the verge of confidently establishing an effective planning-and-evaluation system, the college has not fully mitigated the deficiencies cited in this recommendation. The IPP design is not fully implemented, and the need to clarify and simplify remains. Full understanding and acceptance of the IPP, as envisioned, will undoubtedly require not only training, but further refinement of the IPP design. The college has not fully resolved the deficiencies cited under this recommendation.

Recommendation 3

Improving Institutional Effectiveness: In order to improve institutional effectiveness the College should establish and implement a clear, systematic, consistent, and ongoing method of measuring and evaluating its effectiveness in achieving stated strategic planning goals and student learning outcomes. (I.B.2, I.B.3, I.B.6, I.B.7, ER 10, ER 19)

Findings and Analysis

The observations made concerning Recommendation 2 are pertinent here. As noted under Recommendation 2, the college is still in the midst of firming up its design for integrated planning-and-evaluation processes. These processes are integral to mitigating the deficiencies cited in Recommendation 3, as well.

As noted in the Show Cause Report, the college has adjusted forms used in planning processes to formalize linkages between Student Learning Outcome assessment and planning, so that student learning can be formally accorded the centrality envisioned in the standards. The evaluation team concurs with the college's self-assessment of its progress on developing, implementing and assessing student learning outcomes (currently between 'development' and 'proficiency'). During discussions with lead staff who have intimate knowledge of the progress on student learning outcomes, the evaluation team was able to confirm that faculty, in general, have accepted student learning outcomes and learning assessments as a long-term, substantive change in the culture of their institution, and have learned the benefits of this kind of self-examination. Moreover, it became clear that student learning outcome assessment results are integrated with program-level planning discussions on a regular basis. These results have spurred a higher rate of curriculum change in the last semester than has been seen for many years. Much of the credit for this positive momentum goes to the leadership of the Vice President of Academic Affairs, the Academic Senate President, the Coordinator of Learning Outcomes Assessment, and the Vice President of Student Services. The evaluation team was able to confirm that the Student Services areas have developed student learning outcomes appropriate to their service areas; are developing and implementing appropriate assessments; and expect to achieve full implementation easily by 2012.

It is also important to note that Program Review is a well-established process at the college, with instructional divisions presenting comprehensive program reviews on a regular cycle, and with student service areas engaging in the process, as well. Between the once-every-four-years comprehensive program review, all instructional areas receive and respond to an annual data set that is relevant to instructional planning. The adoption of the Banner system is expected to streamline the generation of these data reports, but it is to the college's credit that the Banner implementation has not stopped data-driven decision-making from occurring at program and division levels. Whether the same can be said for decision-making at institutional levels, is unclear (development of the 320 reports remains something of a challenge, for example—yet tracking of assessments on the "core 4" institutional learning outcomes is occurring). And it is unclear whether there is any regular, formal evaluation of effectiveness occurring in the non-student service areas of the college (maintenance, business services, etc.).

Conclusion

The college has not fully mitigated the deficiencies cited in this recommendation, as evidenced by the fact that the over-arching, integrated planning process has yet to be implemented, and that some gaps exist in data-driven decision making in certain units of the institution. It should be noted, however, that the college has continued to make significant progress despite database obstacles, and is well on the way to becoming a fully data-driven institution. The college has not fully resolved the deficiencies cited under this recommendation.

Eligibility Requirement 19, Institutional Planning and Evaluation

The college is clearly coming to terms collectively with the challenges posed by a fully integrated planning-and-evaluation cycle. There is considerable work yet to be done, however. As recently as March 4, 2009, the college was still grappling with mapping the timeline and elements of a complete cycle (SGC minutes, 3/4/09). Several staff expressed hope that the institution as a whole will accept and implement fully the new Integrated Planning Process that has been developed by the Process Evaluation and Review Team. The new IPP describes an institution-wide, integrated process, which is made up of these elements and which does promise an ongoing, systematic linkage of planning with budget development. There is more to do, surely—details to iron out as well as full implementation of the envisioned IPP—but the institution has clearly demonstrated eligibility on this criterion.

Recommendation 6

Staffing and Organizational Stability: The college should continue to focus on prior accreditation evaluation reports and implement the recommendations. Stability in personnel, particularly in leadership positions, fiscal services and human resources will help the college to meet the requirements of Standard III and assure institutional integrity. (III.A, III.D.1-3)

Observations and Analysis

The central issue in question from an organizational development perspective is whether Solano College can maintain the momentum required to achieve organizational stability. This will be the primary challenge of the new President. In this regard, the college has shown great progress and should not lose its momentum to continue to stabilize senior leadership.

The College has settled only one of three collective bargaining agreements and will shortly be in Fact Finding, which will be demanding and is likely to affect both CTA and CSEA, directly and indirectly. Financial resources will undoubtedly remain sparse for the college, and the newly defined open culture will be exposed to a great deal of testing. Comments from staff members recognize that these challenges are before them, but the same staff members also recognize the urgency and importance of maintaining progress.

The new President, Board of Trustees, and Special Trustee will have to work together and quickly to ensure that the emerging process of re-organization maintains participatory, productive dialogue, yet gets the job done. Without position control implemented in Banner, this will demand additional care. As State funding retracts; re-payment of past FTES may be required; collective bargaining agreements remain unresolved; and retiree health benefit obligations are presently unfunded, re-organization will need to be thorough and expedient. The newly developing culture of Solano will be taxed with learning to "do more with less."

Solano Community College District now faces the definitive chore of an institutional re-organization. Presently, as reported by staff, the organization is aware that this is necessary for both budget and effective management reasons. Information was offered by the President of the college's CSEA group that of the approximate 125 CSEA employees at the institution, 75% were performing duties outside of their current position descriptions. Also reported by the President of Local 39, at any given time, 25% of the maintenance staff is involved in Measure G Bond activities instead of the maintenance of the central campus or of the learning centers. The lack of staffing stability in Administrative Services, both administrators and classified staff, is the most pressing issue facing the college in order to resolve the deficiency cited in this recommendation.

Conclusion

Given the progress demonstrated by Solano College, coupled with the self-recognition that it took many years of poor decisions and bad behavior to receive Show Cause status, it will take some time to resolve the matter of institutional staffing and structure. Solano faces a formidable number of challenges in turning the institution around and in resolving all deficiencies, but the college can achieve success and stability if the Board and all constituency leaders can maintain the present momentum, employing an "institution first" attitude and committing to open, participatory dialogue. When those values and practices are used as tools in a focused re-organization, the college will achieve organizational stability. The college has not fully resolved the deficiencies cited under this recommendation.

Eligibility Requirement 5, Administrative Capacity:

Solano is making good progress in meeting this Eligibility Requirement, but resolution should be evaluated after the new president has had an opportunity to evaluate the organizational structure and staffing. ER 5 has not yet been fully met.

Recommendation 7

The College must take immediate and necessary action to address its inability to timely and accurately generate financial and apportionment reports. In order to assure the institution's future fiscal stability, the College should immediately develop a detailed plan with a timeline and fixed responsibility to address the establishment of a reserve for retiree benefits. The College must take immediate responsibility for planning all long-term financial obligations including financial obligations associated with negotiated collective bargaining settlements which should be evaluated and managed to determine long-range impact on institutional financial stability. (III.D.1, III.D.2, III.D.3, ER 17)

Observation and Analysis

Solano Community College has made progress in improving its financial stability and timeliness of reporting, but the college still cannot prepare accurate and timely financial reports. The lack of fiscal reporting makes decisions difficult and limits the data upon which those decisions can be based. This is largely due to the partial implementation of the new financial control system that the college has purchased to replace its legacy system.

Since the November reports and visit, Solano College has contracted with a third party to help implement the Banner software suite. Such a move will likely expedite the creation of timely reporting. However, according to the Show Cause Report, the system installed is only in a test environment and is populated with test data. While this is useful for training, it does not increase the capacity of the college to prepare and present timely and accurate fiscal reporting. Progress, however, was validated by the evaluation team.

During the visit, staff produced financial activity reports from Banner software; however, the report formats did not include all key elements of a typical financial report, such as sub and grand totals. Also, the reports did not match previously submitted reports.

The system under development will be capable of calculating the fifty percent law ratio; however, it appears that without manual calculations, this ratio cannot currently be automatically calculated. This increases the potential for error and limits the availability of fifty percent law data upon which budget decisions can be made. The college should be commended for its pursuit of the automatic calculation and encouraged to complete development of this function.

It was noted that the current MIS specialist can and does generate and disseminate regular reports of the college's financial status; however, it is expected that budget managers prepare their own reports periodically as they need them. The sample budget reports provided to the evaluation team do not provide important subtotals and grand totals. These must be calculated manually. In addition, sample reports requested did not reconcile to the amounts reported to the Chancellor's Office on the CCFS-311 for the year ending June 30, 2008.

The sample reports generated also included many entries that do not have sufficient line descriptions that would allow a user to investigate the source of the data. Many records were written to the Banner database with only general reference to the Journal Entry number, with no description of the subsystem from which the entry came. It is expected that as the Banner database is populated with actual college data, the generic line descriptions will be replaced by descriptive fields. In addition to a third party implementation firm, the college continues to seek specialized instruction and training from SunGard relative to the financial control software. Those actions should lead to a more robust system that is understood by all users.

The greatest, single source of revenue to the college is state apportionment. This revenue is based upon enrollment reported to the Chancellor's Office via the CCFS-320 report. A third party implementer, Strata Information Group (SIG) has been hired to produce a system that can generate the data necessary to complete the CCFS-320 enrollment report. The Show Cause Report further defines this system as one that can generate projections of enrollment. At this point, the system does not produce enrollment statistics and does not make automatic projections. The system should be further developed and manually verified to ensure accuracy.

The Show Cause Report indicates that there is still an Interim Director of Fiscal Services in charge of the Business Operations of the college. The fact that this person is interim and that there is no Chief Business Officer can cause instability in the finance department. The CBO was placed on administrative leave in October 2008. Currently the college is not recruiting for a replacement for this person, although staff has reported that recruitment is imminent. The college cannot achieve fiscal stability without a CBO and with an interim Director of Fiscal Services.

Averaging more than 75% of the total general fund budget, Personnel costs are the largest expense category for any college. With the college's unreliable budget information, it is critical that the college implement and maintain a Position Control System (PCS). The Show Cause Report is not clear on the progress of such a system. The report describes a process that "use(s) 'position tracking' techniques for developing the 2009 – 2010 budget." Interviews with staff indicate that Human Resources uses position control for tracking entitlements, but that system is not integrated with the fiscal services department. The consequence is that the entitlements are not reconciled with budget information, which can lead to payroll errors.

The college has retained a reputable company to calculate its long term liability for retiree health benefits, and the college has hired a financial consultant to assist in preparing multi-year projections of other long term debt. The college reports that it is building a reserve to fund future OPEB obligations.

In addition, the long term debt strategy for other obligations, such as collective bargaining contracts, has not been critically analyzed. There is not a clear multi-year budget projection and the collective bargaining proposals are not reviewed in the context of long term financial feasibility; however, the Interim President and Special Trustee are very aware of the implications of collective bargaining and have made dramatic changes that do include critical analysis of future bargaining proposals. The college must use long term budget projections and a systematic method for evaluating collective bargaining proposals. In addition, the college states that it uses a three year budget projection that has not been updated through the date of this visit.

The college has several specific budget challenges that it must solve this year, including COLA for unsettled bargaining groups, potential revenue reductions triggered by the Governor's May Revised Budget and (possible) repayment of FTES apportionment, incorrectly claimed in previous periods. The management of the college has a strategy for dealing with these likely challenges. For example, a thorough performance audit of

FTES may conclude that the college failed to claim earned FTES that might negate the over-claimed FTES. The COLA for unsettled bargaining groups has been removed from discussion as it cannot be funded through the next year's expected budget. The college has frozen and swept all vacant positions.

During interviews with staff, it was noted that the Fiscal Services Department has great faith and hope in executive management. Both the Interim President and the Special Trustee have engendered confidence in the staff and middle management. This is in stark contrast to a previous environment of disorder, confusion and institutional depression, as reported by staff. Significant improvement in staff morale began in late fall 2008 and winter 2009. Interviewees used such terms as supportive, knowledgeable, confident, reassuring, connectivity, and teamwork to describe current perceptions and status of the Interim President and Special Trustee. The college should be commended for dramatically and decisively supporting the fiscal services staff and turning around the previously reported malaise.

As of June 30, 2008, the college reported on its CCFS-311 report that it had an ending fund balance of $4,970,919. In the same report, the college reported that it had accounts receivable in the amount of $4,831,698. In broad terms, this suggests that 97.2% of the total fund balance is committed to a potentially non-liquid asset. In interviews with staff, it was determined that most of this was receivable from state apportionment and uncollected student fees. Since the cash with county was reported at $4,607,182, the college should be able to operate without a liquidity hindrance; however, it should be noted that if accounts receivable increase, the college could end up with a cash shortage. And the uncertainty of the accuracy of financial reporting will increase the risk of losing liquidity.

The college has operated half of the 2008 – 2009 fiscal year without a budget. The Show Cause Report notes that the budget was finally adopted on December 17, 2008. That budget was a projection of actual expenditures through year end. This method may neglect one-time expenditures that are not included in the midyear projection. A full budget development system must be used to ensure there are no year-end surprises.

Additionally, the college does not plan on preparing a Preliminary Budget for 2009 – 2010. This may lead to future budget errors and misjudgment of the time it takes to produce the budget. Many colleges view the Preliminary Budget as a vehicle to reconcile the current year budget and hone the skills needed to prepare and present a Tentative Budget. Without preparing a Preliminary Budget, Solano College runs the risk of fiscal surprises later in the year.

Cash handling has been reviewed and improved greatly across the campus. The process of improvement has involved discussions across constituent groups. Previously, the college held balances in excess of $4 million in its Cash Clearing Account. Best management practices dictate that this account should be kept to a minimum. Since re-engineering the process, the college has maintained balances under $50,000. According to staff, the account is cleared monthly. In addition, deposit reconciliations are made daily and cash is transported to the Cash Clearing Account bank three times per week. This marks a dramatic improvement over previous reports and the college should be commended for its decisive action to safeguard district assets and make transfers from the Cash Clearing Account so often.

A staff member has been hired to clear the backlog of bank reconciliations, but the Show Cause Report confirms that a backlog still remains. This demonstrates progress in the reconciliation processes. But it is vital that all accounts are balanced monthly to ensure that the data presented in the financial reports do not contain errors emanating from lack of account reconciliation. It was noted during interviews with staff that eight of ten accounts were last reconciled for February 2009. The date of this interview was April 27, 2009. The Financial Aid account has not been reconciled since January 2009 and the Associated Students account has not been reconciled since December 2008. The Bookstore fund account has not been reconciled since November 2008. Staff noted that the original causes of the late reconciliations were time consumed during Banner installation and training and a previous shortage of staff. It was also noted that the previous CBO offered no overtime or extra assistance to employees responsible for reconciling the accounts, even after the reconciliations were considerably overdue. Additional temporary staff or overtime could have been one way to catch up the work.

The employees in Fiscal Services have great morale and have used the Show Cause accreditation process as a time to bind together and produce greater quantities of higher quality work. The college should be commended for such high morale under such challenging and changing conditions. However, interviews did reveal that all staff is eager to have new leadership in the Chief Business Official position.

During interviews and in gathering evidence of the college's Show Cause Report, it was noted that the external auditor has not completed the audit report for the period ending June 30, 2008. This report is seriously overdue. This condition could jeopardize the college's receiving federal funds and funds through state apportionment. The college must take steps to ensure that the audit work is completed and the report is filed with all relevant agencies.

The delay in financial aid checks has been resolved. The college states that the issue will not reoccur. Since so many students rely upon local, state and federal aid for income, the college should be commended for taking decisive action to prevent the delays from occurring in the future.

Conclusion

Solano Community College has taken steps to improve its cash handling, fiscal reporting and budgeting. The college is commended for the decision to implement an integrated software solution that combines many of the business control functions necessary for a large college. In fall 2008, the college also made changes that significantly improved morale and increased both productivity and quality of work within the Business Services office. In addition, the college should be commended for taking steps to ensure the integrity of the handling of college cash.

In the ACCJC letter of February 3, 2009, the Commission directed Solano Community College to "demonstrate that the college has resolved the following recommendations from the 2005 comprehensive evaluation team, some of which have been modified by the November 2008 team." At the time of this visit, it is clear that the college does not provide accurate, timely financial reports. In addition, because all of the bank accounts have not been reconciled, the integrity of such data, if reported, could be impeached.

The college operated for half of the current fiscal year without a budget. The current budget is merely a projection based upon the expenditures of the first six months of the year. This does not yield a budget that can be trusted to anticipate all expenditures including those that occur annually.

Lastly, the college lost its Chief Business Official in October 2008, and the person currently in charge of business services is in "interim" status. Fiscal Services has improved morale, quantity and quality of work. However, such instability within the college leadership cannot continue indefinitely to produce accurate and timely reporting as required by Standard III of the ACCJC Standards.

The college has not completely resolved the deficiencies cited under the recommendation.

Eligibility Requirement 17, Financial Resources:

The college has resolved deficiencies cited by the November 2008 evaluation team and now meets this Eligibility Requirement.

Eligibility Requirement 18, Financial Accountability:

As the conclusion for the above recommendation cites, the college has not completely resolved deficiencies cited by the November 2008 evaluation team and requires more time to fully resolve them.

Recommendation 8

In order for the Governing Board to focus on the institution's major issues and questions of policy, the Board of Trustees is encouraged to delegate full responsibility and authority to the President to implement and administer Board policies and the operation of the college. The institutional leaders should likewise foster empowerment, innovation, and institutional excellence through dialogue that builds trust and increases focus on student learning and assessment of learning outcomes, institutional effectiveness, and integrity. (IV.A.1, IV.A.3, IV.B.1.j, IV.B.2a)

Observations and Analysis

As noted in the Introduction, the college has experienced significant changes affecting leadership since the October and November 2008 reports and visit. In October 2008, the Board of Trustees commissioned a comprehensive Administrative Review and Fiscal Health Analysis, the results of which triggered several actions by the Board. The seriousness of the findings of the review and fiscal analysis prompted the State Chancellor to address the Board and recommend that the Board hire a Special Trustee to give the college fiscal and administrative leadership. Hiring an experienced Special Trustee, the Board next acted on his recommendation to hire an experienced interim president, allowing the then interim president to return to her official position as Vice President of Student Services. The President of ACCJC also conducted a training workshop for the Board of Trustees in January 2009 and met with the college community on accreditation and the respective roles of all constituencies, including the Board and President, in college governance. In addition, the Board contracted with a nationally recognized consultant to lead the search for a permanent president and to consult with the Board on policies and practices related to ethics and its appropriate policy role in governance. The work with the consultant also included several self-evaluation activities, well documented in the Show Cause Report. In January 2009, the Board adopted a Code of Ethics, and in April the Board hired a permanent president, who will take office in July.

The Show Cause Report cites improved Board behavior, noting unanimity on major policy issues, self-acknowledgement of primary responsibility for accreditation sanctions, positive collegial dialogue and feedback with college constituencies, and cessation of personal attacks among Board members. The evaluation team interviewed all Board members, as well as the Special Trustee, Interim President, and leaders of all college constituencies, and the team validated the claims of the Show Cause Report. The evaluation team found Board members openly contrite over their behavior and actions during the past few years and expressed commitment to honor the recently adopted code of ethics and to respect their role in governance, delegating operational authority to the college president. Both the Interim President and Special Trustee expressed confidence in the progress the Board has made in changing its behavior, and leaders of all other college constituencies expressed the same level of confidence. Although the newly hired permanent president has not served as a president before, he brings considerable experience as a senior college administrator, who has worked extensively with accreditation issues. Adding to a stable transition, the Special Trustee will remain at the college at least another year.

To foster and develop college-wide dialogue on planning and improvement, the Interim President has initiated the Integrated Planning Process, which functions through established college committees and councils. The Interim President has separated the Board from operational issues, empowering campus constituencies, working through participatory governance structures, to discuss and develop plans and actions that integrate program review with resource allocation, using appropriate data to drive decisions. The Interim President also established the Process Evaluation and Review Team to monitor and evaluate the emerging dialogue and decision making framework. Finally, the Interim President noted that progress on this recommendation is sometimes inhibited by confusion over the respective roles of the Academic Senate and Faculty Association (union) in participatory governance.

Conclusion

The Evaluation Team validated significant progress in resolving the deficiencies cited in the Report of the November 2008 evaluation team. The Board of Trustees understands its prior short comings and has changed its behavior. The Board also recognizes and understands its role in governance. With a new president taking office in July, current college leaders express hope and promise that the changed dynamic and behavior of the Board will maintain. With the Board accepting its role in governance, the Interim President and other college leaders have made significant progress in establishing both climate and processes that encourage dialogue and action focused on student learning, assessment, institutional effectiveness and integrity.

The Evaluation Team concludes that the college has resolved the deficiencies cited through this recommendation, hoping that the changes will be sustained.

Eligibility Requirement 3, Governing Board

The college has resolved the deficiencies cited by the November 2008 evaluation team and now meets this Eligibility Requirement.

Eligibility Requirement 4, Chief Executive Officer

Through the successful work of the Interim President and Special Trustee, the Board now delegates appropriate authority to the President, and the hiring of a permanent president, the college has resolved the deficiencies cited by the November 2008 evaluation team and now meets this Eligibility Requirement.

Eligibility Requirement 21, Relations with the Accrediting Commission:

The college demonstrates commitment and compliance in responding to sanctions and directions from the Commission and reports on its actions accurately and thoroughly. The evaluation team concludes that the college has resolved deficiencies cited by the November 2008 evaluation team and now meets this Eligibility Requirement.

General Conclusions

While the evaluation team concurs with college leaders that none of the Show Cause recommendations has been fully resolved, it is nevertheless significant and positive that every one of the recommendations has received focused, concerted attention during the interval between the November 2008 visit and the current report and visit. The evaluation team also verified that the college has made significant progress on all of the recommendations. The college has taken the recommendations to heart, and the evaluation team agrees with the conclusion of college leaders that the institution recognizes that it must aim seriously at long-term improvements related to the recommendations. Everyone at the college, while concerned about the welfare of the college and the students, recognizes that some of the issues will likely take considerable time to correct. Under the leadership of the Interim President and Special Trustee, college stakeholders, including trustees, are demonstrating not only commitment to positive change but also competence that can grow and sustain that change.

Some members of the college community worry that the college's progress and future may be jeopardized by a new leadership failure, or by the Board falling back into old ways of micromanagement during a leadership transition. As a group, however, the staff and student leadership seem to recognize that they have the power to make a difference. This is especially true in relation to the recommendations related to integrated planning. All respondents appeared to recognize that a CEO does not, by him- or herself, develop and maintain effective planning systems and data-driven decision-making. Some respondents see the CEO as crucial to full acceptance and effective implementation of the planning system that has been developed—but this perception was one of realism. Now that the faculty and staff of the college have developed what appears to be a credible approach to integrated planning, the CEO must affirm and reinforce this approach. It is reasonable to expect such a posture from the incoming CEO. The evaluation team notes that progress on deficiencies related to fiscal stability and accountability is not as evident as the progress on institutional planning and that the college must focus now on making necessary changes to resolve those deficiencies.

An overall tone of optimism and positive attitude characterized discussions with trustees, senior administrators, and constituency leaders. The college has not only turned a corner in terms of taking the challenges seriously, but since late October, the faculty and staff uniformly describe a cultural shift towards openness, transparency, and realism. All respondents described the current administrative leadership with respect and gratitude, indicating universally that the leadership has managed to instill a new practice of dialogue and focus. The evaluation team qualifies its commendations on progress with a note of caution informed by the fact that a new college president will take office in July, bringing new leadership, as well as the challenge of sustaining that progress.