

Ventura College - Accreditation Compliance Review by Standards

III.D

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

Financial Resources: Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning at both college and district/system levels in multicollage systems.

Standard Questions

1. What is the institution's overall budget?
2. Does it have sufficient revenues to support educational improvements?
3. Are the institution's finances managed with integrity in a manner that ensures financial stability?
4. Does the resource allocation process provide a means for setting priorities for funding institutional improvements?
5. Are institutional resources sufficient to ensure financial solvency?

Required Evidence

1. Evidence that includes copies of the annual budget, audits for past three years, financial plans associated with institutional plans, budget documents prepared for grant and other external funding, data showing financial planning is regularly evaluated
2. Other debt evidence includes actuarial plans for the repayment of Other Post Employment Retirement Benefits (OPEB) and funding plans to address the obligation
3. Evidence that the mission and goals are used in short and long-range financial planning, such as a list of financial goals, a grid showing financial contributions to meeting goals, or an introductory text to fiscal documents such as annual budgets, long
4. Evidence showing that fiscal planning follows institutional planning (in time sequence), and funds are used to achieve institutional plans and goals
5. Evidence that fiscal planning is evaluated on the basis of its contribution to achievement of institutional goals, not solely on the basis of accounting principles of good practice. Evidence that the financial plans, including annual budgets, capital pl
6. Evidence of a fiscal planning process, documents describing the financial planning, and budgeting processes, and minutes or other records showing the institution has followed those processes
7. Evidence the institution monitors student financial aid obligations such as student loan default rates and compliance with all federal regulations that impact the institution
8. Evidence the institution ensures that financial decisions are developed from program review results, institutional needs, and plans for improvement
9. Evidence the institution bases its financial decisions on the results of evaluation of program and service needs
10. Evidence the institution determines that financial needs in program and service areas are met effectively
11. Evidence the institution prioritizes needs when making financial decisions

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

The district's total 2009-10 tentative budget, excluding general obligation bond funds and reserves, was \$266,526,439. Of the total, the general fund unrestricted budget was \$154,866,879, or 58.1 percent of all resources.

The governing board adopted Ventura College's 2009-10 general fund unrestricted budget, (which supports the majority of the college's operations, including instruction, student services, learning resources, maintenance and operations and general administration), at a level of \$41,912,320. The campus was also allowed to carry over \$418,474 from the 2008-09 academic year, bringing the total adoption budget

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allocation to \$42,330,794 (IIID.1: Adoption Budget).

Along with other community college districts in the state, the Ventura County Community College District has been hit hard by the state's inability to fund enrollment growth, by workload reduction measures that permanently decreased apportionment levels, and by severe, short-notice cuts to categorical program budgets. The net effect of all of these changes has been a district-wide general fund reduction of \$3,946,335 and a categorical fund reduction of \$4,420,795, for a total reduction of \$8,367,130. This has come at a time when, if the district had been fully funded for its enrollment growth, there would have been nearly \$16,000,000 in additional revenues (instead of over \$8,000,000 in cuts). For Ventura College, these state actions represented a combined reduction of \$3,408,980 (\$1,201,224 from the general fund and \$2,207,756 from categorical funds) to the 2009-10 college budget compared to the prior year budget.

2010 Self Evaluation

General fund unrestricted budget allocations are distributed to the colleges through the district's budget allocation model that was adopted by the Board of Trustees in May 2007 (IIID.2: Budget Allocation Model, May 2007). The college responded to the reductions in general fund and categorical revenues by focusing its remaining resources on core college programs and services. Core instructional programs were defined as being those that enable the students to travel the shortest possible educational path to an associate degree, to transfer, or to the completion of a certificate. In cases where there were multiple course offerings that filled the same purpose, the courses that were able to fulfill more than one student educational goal, that had the strongest record of articulating to a four-year college, and/or that historically had attracted the largest number of students remained within the core, and the other course options were scheduled only to the degree to which funds were available (IIID.3: Core Classes by Division). Core student services programs were defined as being admissions, records, assessment, general counseling, and mandated services to special populations.

During the 2009-10 academic year, the college responded to the reductions in funding by eliminating fourteen classified positions (of which three were vacant). District reorganization of the public information function resulted in the elimination of additional classified positions due to consolidation. In addition, three management positions were lost by the end of the 2009-10 academic year due to retirement, resignation, or lack of contract renewal.

While the college remains in a financial mode of retrenchment, plans to improve through efficiencies and to eventually expand college programs and services continue through the integrated planning, program review and budget allocation process described more fully in Standard I.

2010 Planning Agenda

None.

2010 Visit Evaluation

The district has recognized the importance of remaining financially viable in a very uncertain economic era. As such, policies have been adopted to help ensure adequate reserves are maintained. A budget allocation model has been developed and implemented to equitably allocate available resources to the three colleges in the district. In addition to meeting accepted thresholds for reserves for economic uncertainties, other benchmarks including fulltime/part-time faculty ratios and instructional expenditures are being met. The district has not yet fully implemented or funded its Other Post Retirement Employee Benefit (OPEB) program, but sufficient evidence exists that indicate a plan is nearing completion for full accounting compliance in 2010. While considerable effort has been made to integrate budget and planning there is still a lack of understanding by many at the college of the budget function. This is not entirely unusual as California's community college funding model is quite complex; never the less, efforts should continue to provide clarity and understanding of the college's budget process to all constituents.

2010 Visit Finding

Ventura College is part of the Ventura County Community College District, and has an annual unrestricted operating budget of approximately \$43 million. The college's annual allocation is determined by a district allocation model which was developed and agreed to by consensus of the various constituent groups. Efforts have been made to effectively communicate budget related issues to the constituents and to provide real time access to authorized users. With severe state budget cuts in 2009-10 the college has had to make reductions in staffing and program offerings to remain financially stable. The district meets or exceeds all minimum reserves and remains financially solvent. In order to ensure longterm financial stability the district is in the process of finalizing its plan to fund its Other Post Employment Benefits (OPEB) requirements. It is suggested that a method to help determine the effectiveness of the campus resource allocation model be developed.

The team found that Ventura College meets Standard III.D.

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III.D.1

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

The institution's mission and goals are the foundation for financial planning.

Standard Questions

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

In May 2007 the district adopted a budget allocation model that determines the amount of revenues provided to the Ventura College from overall district appropriations. Unfortunately, with significant state reductions occurring in 2009-10, and possible for 2010-11, the college has had to make reductions in its programs and services. In order to address the revenue shortfalls, the campus identified its "core" programs and prioritized reductions around maintaining these core programs. Overall the district maintains a sufficient reserve and is fiscally solvent. Audits indicate the district is financially sound and is compliant with recommended accounting practices. (III.D .1)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.1.a

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

Financial planning is integrated with and supports all institutional planning.

Standard Questions

1. Does institution review its mission and goals as part of the annual fiscal planning process?
2. Does the institution identify goals for achievement in any given budget cycle?
3. Does the institution establish priorities among competing needs so that it can predict future funding? Do institutional plans exist, and are they linked clearly to financial plans, both short-term and long-range?
4. Does the financial planning process rely primarily on institutional plans for content and timelines?
5. Can the institution provide evidence that past fiscal expenditures have supported achievement of institutional plans?
6. Does the governing board and other institutional leadership receive information about fiscal planning that demonstrates its links to institutional planning?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

During the fall 2005 semester, campus governance groups reached consensus on a conceptual model that links strategic planning, program evaluation, budgeting and staffing priorities processes (IIID.5: Ventura College Planning Cycle 2008-2010). Under the model, the evaluation cycle begins with a review of the status of prior-year college plans, district imperatives and the college mission. The College Planning Committee then reviews available data (including information on course completion, persistence, enrollment patterns, licensure rates, curriculum changes, committee reports, community and student survey results, employer surveys, labor market data and other information). Based on the analysis of this data, initial recommendations for college initiatives are then developed and shared with the campus. After obtaining feedback, the college planning goals are finalized and are used as the basis for the development of planning and program review documents at the division and department levels. The program review documents are then prepared by each academic discipline or student services department.

During one week in November, the Program Review Committee meets on a daily basis to compare the individual ratings of the committee members and to reach consensus as to the rating for each program of the college. Programs have the option to appeal the ratings if they believe their documents and/or data have been misunderstood. The Program Review Committee then finalizes the ratings, and a narrative of the results is submitted to the President. Faculty, staff, facilities improvement requests, and equipment requests are submitted, as appropriate, to the Staffing Priorities Committee, the Administrative Council, the Facilities Oversight Group (FOG), and the Campus Resource Council (CRC). Based on the ratings and other data, the Staffing Priorities Committee, the Administrative Council, FOG, and the CRC prepare, as appropriate to their committees, prioritized lists of faculty, staff, equipment, and facilities improvement needs. The resulting report is submitted to the President, who uses it to help guide her personnel decisions and to resolve other resource allocation issues as dollars become available (IIID.5: Executive Summary, Planning and Program Review).

2010 Self Evaluation

The integrated planning, program review and budgeting cycle has, as one of the first steps in the process, a review of the college mission statement. Thus the college mission is reviewed every other year, within the context of planning and program evaluation.

The integrated planning and program review process requires each college department or program to describe its purpose and to relate this purpose to the college mission. This integrated process, as outlined above, is used to guide institutional decision making in the areas of faculty hires, equipment purchases, and facilities improvements. The process is also designed to assist in the creation of a list of proposed additions to the classified staff. In practice, however, there has seldom been sufficient budget to hire classified positions beyond those already in the system, and instead the recent budget crisis has made it necessary to lay off employees and to consolidate work functions performed by classified staff.

As described above, the planning, program review and budget cycle is used to establish priorities among competing needs so that the college is ready to act quickly as additional funding sources become available.

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The college has several significant planning documents in place, including the educational master plan (General Document 1: Ventura College 2009-2019 Educational Master Plan), the strategic technology plan (General Document 3: Ventura College Strategic Technology Plan), and the facilities master plan (General Document 4: Facilities Master Plan). The documents prepared for program review require departments to link their plans and purpose to one or more of these critical documents.

The President meets with the Chancellor and district executive staff weekly to discuss both operations and planning. The Chancellor prepares a weekly briefing for the Board of Trustees that highlights accomplishments, concerns, and plans from each of the colleges and district office. When called upon at monthly meetings, the three President's deliver oral presentations and/or written reports to the Board. The Board reviews and adopts the individual colleges' educational and facilities master plans. Annually, the Board adopts budget guidelines and assumptions based on input from the District Council of Administrative Services (DCAS) and the district's projections of financial changes that may impact the district and its colleges' operations.

Regular staff reports are provided to the Board and college leadership as a part of regular board meetings, Chancellor's Cabinet meetings, and DCAS.

2010 Planning Agenda

None.

2010 Visit Evaluation

Ventura College uses a conceptual model developed by all constituent groups in 2005 to link planning, program evaluation, as well as establishing staffing and budgeting priorities. The interrelationship of these various activities is facilitated through the program review process with recommendations from the Program Review Committee to the other campus committees. Ultimately a report is generated prioritizing campus needs and is submitted to the president for consideration. The linking of these various functions and committees ensure financial planning is integrated with institutional planning. (III.D. I, III.D. I .a)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.1.b

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

Standard Questions

1. Do individuals involved in institutional planning receive accurate information about available funds, including the annual budget showing ongoing and anticipated fiscal commitments?
2. Does the institution establish funding priorities in a manner that helps the institution achieve its mission and goals? Are items focused on student learning given appropriate priority? What other documents are used in institutional planning?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

Current budget information is available to campus managers and department chairs through a shared web drive. Each dean has been provided with information regarding the number of course sections he/she has been allocated, the cost and historical productivity of each of those sections, and the enrollment targets that must be met (IIID.6: Sample Reports Provided to Deans). Managers in areas other than instruction are aware of the hours of operation and levels of service expected and the dollar allocation that has been provided through the budgeting process, and they are aware of the fact that they must live within their designated allocation.

2010 Self Evaluation

Regular updates regarding assessment and projections of financial resources, including state economic projections, are presented to and discussed at DCAS, the district-wide council responsible for budget development.

The Board-adopted budget is distributed widely throughout the district and is also accessible on the district's website (IIID.7: Website List of District Budget Documents). Copies are placed in all college libraries and numerous copies are provided to college and district constituent groups.

The Vice President of Business Services distributes budgetary information throughout the college through a variety of mechanisms. Weekly, he updates the members of the Administrative Council on the status of the budget through a shared web drive. They, in turn, share the information with their respective operating sub-units. Monthly, the Vice President reviews the current status of the budget with the CRC, who again communicate the information with their constituents. When the Vice President receives electronic communications from the state Chancellor's Office and other sources, he broadcasts them to the management staff to keep them apprised of fiscal conditions at the state level, and whenever possible, he provides the projected local impact of that information as well.

In addition, the district's management information system, which has been in place for the past several years, fully integrates a real-time, client server and web-based financial system. The college ensures that budget and program managers and various levels of support staff and faculty are trained in the utilization of the system and have continuous access to financial management information. Finally, during this time of statewide financial crisis, the President, Executive Vice President, and Vice President have conducted periodic college forums to keep all interested staff apprised of current financial conditions and to solicit input for recommendations (IIID.8: Sample PowerPoints, College Budget Forums).

Although not presented in a published form, the college has operated under a resource allocation schedule that contains internal designations of resources required to support the following, in priority order: (1) full-time employee salaries and benefits in programs and services designated as "core," (2) inescapable costs (e.g. contractual commitments, classroom laboratory and custodial supply requirements, etc.), (3) part-time faculty costs to support the proposed instructional schedule and library and counseling services, and (4) discretionary allocations. Expansion of funding to support equipment requests is identified through the planning and program review process.

2010 Planning Agenda

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None.

2010 Visit Evaluation

Together the district and college undertake multiple efforts to communicate budgetary information to the community and campus constituents. In addition to wide circulation of the annual budget, weekly updates are provided by the Vice President of Business Services and access to real time financial information is provided thorough the district's information system to those authorized access. Because of the economic environment and statewide financial crises, extra efforts have been made by the college leadership team to keep the campus community apprised of budgetary issues. Although not widely understood, the allocation model and overall budget process appears quite transparent to the visiting team. (III.D. 1.b, III.D.2.b)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.1.c

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies, plans, and allocates resources for payment of liabilities and future obligations.

Standard Questions

1. What evidence of long-term fiscal planning and priorities exists?
2. Does the institution have plans for payments of long-term liabilities and obligations, including debt, health benefits, insurance costs, building maintenance costs, etc.? Is this information used in short-term or annual budget and other fiscal planning?
3. Does the Institution allocate resources to the payment of its liabilities and funds/reserves to address long-term obligations? Are resources directed to actuarially developed plans for Other Post-Employment Retirement Benefit (OPEB) obligations?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

As referenced previously, both the educational and facilities master plans form the core of the college's long-term planning efforts. Annually, these plans translate into an operational plan, which is expressed through the college budget. Long-term planning as it relates to general operations has proven difficult due to the state's economic situation and the resultant impact on community colleges. Neither the district nor Ventura College has been insulated from the effects of the state's budgetary shortfall. Thus, the college plans operationally for the short term, with an emphasis on preserving as much of the central core as possible. The college maintains capital planning with a long-term focus in mind, since the resources to support those efforts are stable due to the passage of Measure S in 2002.

The college has incurred no long-term indebtedness. The district budgets for primary long-term obligations associated with retiree benefits annually on a "pay-as-you-go" basis, and property tax assessments support bond repayments. The annual budget process addresses other ongoing obligations such as insurance premiums, building maintenance requirements, medical/dental/vision plan re-rates, etc. The state's scheduled maintenance funding, matched by bond proceeds, addresses many of the building maintenance needs. In addition, the college plans to construct new facilities and/or to modernize existing ones by using state capital project and bond resources

2010 Self Evaluation

The district has established budgetary processes to address all long-term obligations. The district has fully funded a reserve to cover the long-term liability related to faculty workload balancing. A separate fund was established during the 2007-08 academic year to cover retiree health liability and to fully implement GASB45. Insurance costs are covered on a "pay-as-you-go" basis and are budgeted annually in the district-wide services within the general fund unrestricted account.

Building maintenance costs are budgeted as part of the college's operating costs and capital projects are budgeted under scheduled maintenance. The college also has access to local capital funds it has set aside over time and has foreign student surcharge funds and redevelopment agency funds to assist with the maintenance of its facilities.

The only long-term obligations the college experiences are facility lease and equipment lease purchase agreements. Annually, the district identifies these obligations during budget development and requires the college to include these costs in its operating budget.

On a district-wide basis, the annual budget development process recognizes ongoing obligations and establishes a pool of resources to address those costs. The college factors into the budget and funds, as appropriate, incremental costs for expenses such as medical/dental/vision rate changes and step and column movement of staff.

The college's executive team holds periodic college-wide budget forums to keep faculty and staff informed and to solicit input from the rank and file. Additionally, deans work with department chairs to streamline budgets within divisions, and department chairs work with the faculty to best determine where cuts can be made with the least damage to programs and services.

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2010 Planning Agenda

None.

2010 Visit Evaluation

Long-term planning is largely centered on the educational and facility master plans. Since Measure S is funded through general obligation bonds, the financing of campus facilities is paid through an ad valorem tax of the properties in the district. This funding source provides a secure source of long-term funding for retirement of the bonded indebtedness. The district has recognized other long-term debt relating to faculty workload balancing and has set aside funds to pay for this cost. Two areas of long-term debt that have not been funded are vacation balances and retiree health costs. The district's collective bargaining agreements allow for a payoff of unused vacation balances and no long term funding plan, other than a "pay as you go" approach, exists for these payments. In 2007-08 a separate fund was set up to account for retiree health care costs, which are required by the districts collective

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.1.d

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

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

Standard Questions

1. Where or how are the processes for financial planning and budget recorded and made known to college constituents?
2. What mechanisms or processes are used to ensure constituent participation in financial planning and budget development?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

DCAS reviews and recommends budget assumptions and guidelines that are shared with the college's CRC, the local participatory governance budget advisory body. DCAS ultimately recommends the budget assumptions and guidelines to the Chancellor's Cabinet. The annual budget process formally begins with a governing board study session of the status of the current year's budget, including expenditures and preliminary projections for the new budget year. The governing board adopts the budget assumptions and makes them part of the public record (IIID.9: Approval of Fiscal Year 2010-11 Budget Assumptions and Guidelines). The college's Vice President of Business Services also presents the budget assumptions to the college's Administrative Council and any other group interested in reviewing the information.

Once the budget assumptions and guidelines are in place, individual departments begin the development of their budget requests and input that information into the budget development system. Departments summarize requests and present them to their supervising managers, who in turn submit the requests to the Executive Vice President and the Vice President of Business Services for review. As the district develops final allocations, the Vice President of Business Services compares the sum of the budget and staffing requests to the available resources and makes recommendations to the President's executive team. Final authority for the establishment of the budget within the college allocation rests with the President, the Executive Vice President, and the Vice President.

Once the budget is finalized, the district prepares and presents the annual budget document to the Board for adoption (IIID.10: Executive Summary, 2009-2010 Adoption Budget). College staff members then make copies of the budget document available throughout the college, and interested parties may access the entire budget online through a shared web drive.

2010 Self Evaluation

The college has an established process for financial planning and budgeting that includes input from departmental faculty and staff. Financial reports are readily available in an updated, online format. Nonetheless, despite the concerted effort on the part of the Vice President of Business Services to provide transparency in the college budget process through the preparation and online distribution of updated budget reports and other tracking tools, and on the part of the President, the Executive Vice President, and the Vice President to provide information and venues for discussion through open budget forums and weekly Administrative Council meetings that include representatives of the Academic Senate and the Classified Senate, an employee survey conducted by the District Office of Institutional Research in December 2009 found that only 43.8 percent of those responding felt that there was transparency and openness in budget development in their department or division, and only 31.3 percent felt there was transparency at the college level (General Document 5: Ventura College Employee Survey, Fall 2009). These perceptions seem incongruent with the information and resources systematically provided and additional investigation as to the reasons why some employees feel disenfranchised is warranted.

From a positive perspective, the college possesses well developed and articulated educational and facilities master plans that can be made operational quickly to achieve the college's mission and goals as soon as sufficient resources materialize to allow for realization of the plans

2010 Planning Agenda

Focus groups will be conducted by the members of the Campus Resource Council to determine why employees may perceive there is a lack of transparency in the budget development process, and based on the results of these focus groups, corrective measures will be taken

2010 Visit Evaluation

1/15/2014

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Although a great deal of effort is conducted to communicate budgetary issues and allocation processes, a campus survey indicates that a majority of the respondents do not feel adequate transparency exists. The college recognizes this issue and will be developing focus groups to better understand and address this perception. It should be noted that the District Adopted Budget provides thorough information and is written in an understandable and concise manner. Many campus committees are involved in making recommendations that are ultimately forwarded to the president from the Campus Resource Council (CRC). Once the president makes her decision, the District Council of Administrative Services incorporates the budget into the district budget and then submits the recommendations to the Board for approval. (III.D. I .d)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.2

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

To assure the financial integrity of the institution and responsible use of financial resources, the internal control structure has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making

Standard Questions

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.2.a

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

Financial documents, including the budget and independent audit, have a high degree of credibility and accuracy, and reflect appropriate allocation and use of financial resources to support student learning programs and services.

Standard Questions

1. Are funds allocated, as shown in the budget, in a manner that will realistically achieve the institution's stated goals for student learning?
2. What do the audit statements say about financial management?
3. Does the institution provide timely corrections to audit exceptions and management advice?
4. Is the institutional budget an accurate reflection of institutional spending and does it have credibility with constituents?
5. Are audit findings communicated to appropriate institutional leadership and constituents?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

The district, in cooperation with the colleges, formulated a district-wide resource allocation model that was implemented for fiscal year 2007-08. The process to develop the model included collaboration with DCAS and the Chancellor's Cabinet. DCAS is composed of the three college Academic Senate Presidents, three college classified representatives, three college Vice Presidents of Business, and district budget staff. It is chaired by the Vice Chancellor of Business and Administrative Services, who is the district's chief business officer.

The Board had a first reading of the model on April 10, 2007, and adopted the model on May 15, 2007. The adopted model includes features that reflect the unique characteristics of each college and meet the needs of a multi-college district, while recognizing how the institutions are funded by the state. The model is simple enough to be readily understood, is easily maintained and transparent, and is driven by factors that command accountability, predictability, and equity.

Overall, the model addresses the basic principles for a budget allocation model previously adopted by the Board. It utilizes formulas and variables that have been meaningfully studied, readily defined, easily measured, and consistently reported. As with the budget itself, no model will ever be perfect and it is doubtful that the district will ever achieve complete consensus as to how its resources should be distributed; however the model as proposed and adopted comes as close to that consensus as can be reasonably expected. DCAS and the Chancellor's Cabinet independently reviewed this proposed model and concurred that it met the budget principles established by the Board and was fair and equitable for all colleges and the district operational units. Since the initial adoption, the model has continued to be reviewed annually by DCAS and the Chancellor's Cabinet. Any proposed revisions to the model are presented to the Board for approval with the budget assumptions document.

Prior to completion of the annual audit report, the district convenes meetings with all parties or operating sub-units that have been cited in the audit's findings and recommendations sections. During those meetings, district staff review appropriate corrective actions and provide a response to the auditor prior to the report being released. The Board's Audit Subcommittee reviews the audit report, recommendations, and responses in detail and submits the report to the full Board for acceptance. Subsequently, the district implements the corrective actions and ensures compliance. Mid-year, the Board Subcommittee reviews the status of progress toward accomplishment of the corrective actions. Finally, the auditors specifically review those areas of concern during their next engagement (IIID.11: Annual Financial Report).

2010 Self Evaluation

The financial management system is easily accessible to all unit budget managers. The system is updated in real-time and managers have full access to monitor their unit's financial activity on a current and timely basis.

The budget allocation process was approved in 2007 and is reviewed annually to ensure it continues to meet its objectives. Audits are conducted annually, are timely, and have very few management findings.

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The most recent audit report accepted by the governing board, for the period ending June 30, 2009, included the following statement: "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ventura County Community College District as of June 30, 2009 and its revenues, expenditures and changes in fund balance for the year then ended. . ." This unqualified opinion supports the integrity of the district's financial management system and its application.

Any findings and/or recommendations cited in the audit reports are addressed immediately. The district responds to those which are system-wide. The colleges are provided copies of the audit exceptions that are directly related to their operations, and with assistance from the district staff, respond to the issues immediately. To ensure the exceptions have been adequately addressed, the auditor reexamines those areas in the subsequent year's audit and includes any current findings in the new year's audit report.

2010 Planning Agenda

The college will maintain continued participation in the district's allocation model to ensure preservation and eventual expansion of the college's funding base.

2010 Visit Evaluation

Financial audits of the district, conducted by an external auditor, are generally good with a minimal number of findings. When findings do occur, there is a formal process with semi annual review by the Board's Audit Subcommittee to ensure corrective action is taken. Quick response to any findings will continue to enhance the financial integrity of the district and college. The budget allocation model has been widely disseminated and is generally understood and accepted. It is also reviewed annually to ensure it is meeting the objectives set by the district. (III.D.2.a)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.2.b

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.

Standard Questions

1. What information about budget, fiscal conditions, financial planning, and audit results is provided throughout the college? Is this information sufficient in content and timing to support institutional and financial planning and financial management?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

2010 Visit Finding

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III.D.2.c

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

Appropriate financial information is provided throughout the institution, in a timely manner.

Standard Questions

1. What is the ending balance of unrestricted funds for the institution's immediate past three years? Is this amount sufficient to maintain a reserve needed for emergencies?
2. Does the institution have any other access to cash should the need arise?
3. How does the institution receive its revenues? Does this receipt pose cashflow difficulties for the college? If so, how does the college address cashflow difficulties? (e.g., Certificates of Participation (COPS), loans)?
4. Has the institution sufficient insurance to cover its needs? Is the institution self-funded in any insurance categories? If so, does it have sufficient reserves to handle financial emergencies?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

Current budget information is available to campus managers and department chairs through a shared web drive. Each dean has been provided with information regarding the number of course sections he/she has been allocated, the individual cost and historical productivity of each of those sections, and the enrollment targets that must be met. Managers in areas other than instruction are aware of the hours of operation and levels of service expected and the dollar allocation that has been provided through the budgeting process, and they are aware of the fact that they must live within their designated allocation.

2010 Self Evaluation

The Vice President of Business Services distributes budgetary information throughout the college through a variety of mechanisms. Weekly, he updates the members of the Administrative Council on the status of the budget through a shared web drive. They, in turn, share the information with their respective operating sub-units. Monthly, the Vice President reviews the current status of the budget with the CRC, who again communicate the information with their constituents. When the Vice President receives electronic communications from the state Chancellor's Office and other sources, he broadcasts them to the management staff to keep them apprised of fiscal conditions at the state level and whenever possible, he provides the projected local impact of that information as well.

In addition, the district's management information system, which has been in place for the past several years, fully integrates a real-time, client server and web-based financial system. The college ensures that budget and program managers and various levels of support staff and faculty are trained in the utilization of the system and have continuous access to financial management information. Finally, during this time of statewide financial crisis, the President, Executive Vice President, and Vice President have conducted periodic college forums to keep all interested staff apprised of current financial conditions and to solicit input for recommendations that could mitigate the impact on college operations.

Once accepted by the Board, the district distributes copies of the annual audit reports to the executive staff at each college and then makes copies of these reports available for review in the office of the Vice President of Business Services, the college library, and the district office.

To date, the sum of the financial information presented sufficiently provides for appropriate financial planning and local management. The greatest difficulty the district and its colleges experience with financial planning and management revolves around the uncertainty of state funding. For the 2009-10 academic year, the lateness of information from the state presented challenges in finalizing a budget that was dramatically reduced. Nonetheless, once the district received firm information upon which to plan, the colleges reacted and stabilized their operations.

2010 Planning Agenda

None.

Ventura College - Accreditation Compliance Review by Standards

2010 Visit Evaluation

The district has adopted a policy requiring an unrestricted reserve level of at least 5% to meet potential economic uncertainties. In addition, the Board has designated another \$5 million reserve for contingencies to cover unanticipated mid-year shortfalls. These coupled reserves, which have been accumulated over time, give strong assurances that the district will remain financially stable. District reserves have been sufficient to meet necessary cash flows even in times of late state budgets and state cash deferrals. Should it be necessary, the district has borrowing options at its disposal. Reserves for risk related liabilities are set by the Statewide Association of Community Colleges (SW AC), the statewide joint powers authority who cover the district's property, liability and worker's compensation programs. Additional reserves have been established to cover known and unforeseen deductibles and self ensured retention obligations. (III.D.2.c)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.2.d

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

All financial resources, including short- and long-term debt instruments (such as bonds and Certificates of Participation), auxiliary activities, fund-raising efforts, and grants, are used with integrity in a manner consistent with the intended purpose of the funding source.

Standard Questions

1. What are the institution's procedures for reviewing fiscal management? Are they regularly implemented?
2. What evidence about fiscal management is provided by external audits and financial program reviews?
3. Does the institution review its internal control systems on a regular basis? Does the institution respond to internal control deficiencies identified in the annual audit in a timely manner?
4. Is there an annual assessment of debt repayment obligations, and are resources allocated in a manner that ensures stable finances?
5. Are student loan default rates, revenues, and related matters monitored and assessed to ensure compliance with federal regulations?
6. Has the institution received any audit findings or negative reviews during the last six years? Have these been addressed in a timely manner?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

As stated above, external independent auditors examine all district financial resources, including those from such auxiliary activities as the Bookstore and Cafeteria; Student Health Center; Child Care Center; trust and agency accounts; categorical programs; and contracts and grants. As a part of the audit process, the district also receives a management letter with recommendations to strengthen internal controls or to improve financial procedures. These reports and the follow-up work to evaluate and implement recommendations assist in ensuring that all funds are used appropriately and within the mission and goals of the district and its colleges.

2010 Self Evaluation

All funds of the district, including auxiliary operations, trust and agency accounts, grants, contracts, and bond funds are audited annually by independent contracted audit firms. Any findings and recommendations related to the audit are included in the formal financial reports prepared by the auditors. These reports are presented to the Board of Trustees for acceptance on an annual basis.

The district has historically received exceptionally "clean" audit reports. Any findings and recommendations cited have been minor and are addressed in a timely manner.

2010 Planning Agenda

None.

2010 Visit Evaluation

The district's Director of Fiscal Services serves as a liaison and financial advisor to the colleges and grant and contract partners to ensure compliance with the conditions of the grants and agreements. In addition, the district's external auditor conducts a review of these programs to ensure financial and programmatic compliance. Funds are invested consistent with the Board adopted investment policy. Audits and reviews indicate no significant issues with the district and college's oversight of its fiscal resources. (III.D.2.d)

The college has taken a proactive role in recent years to ensure all grant applications are consistent with the college mission and goals. Ultimately the Chancellor's Cabinet must approve the grant application which helps assure maintenance of the integrity of the college and district. (III.D.2.f)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.2.e

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

The institution's internal control systems are evaluated and assessed for validity and effectiveness and the results of this assessment are used for improvement.

Standard Questions

1. Do the audits demonstrate the integrity of financial management practices?
2. Are expenditures from special funds made in a manner consistent with the intent and requirements of the funding source? Are bond expenditures consistent with regulatory and legal restrictions?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

The district operates several Auxiliary and Enterprise programs which are all audited annually by the contracted external auditor. These programs have historically received clean reviews and have been integrated into the mission and service expectations of the college constituents. The college should be commended for maintaining positive fund balances in all of these funds including: Bookstore, Health Services, Cafeteria, Child Development, Foundation, and Parking Services. (III.D.2.e)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

The institution has policies and procedures to ensure sound financial practices and financial stability.

Standard Questions

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

Not only does the district undertake the required annual external audit review, but the budget model which it uses to allocate its financial resources is also reviewed annually. Comparisons are made with other like institutions to ensure comparability for both the district and college. While benchmarks provide good indicators of appropriate financial appropriations, the program review process and budget requests linked to the colleges mission and goals will also help the college assess the effectiveness of its resource allocation model. (III.D.2.g, III.D.3)

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3.a

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and develops contingency plans to meet financial emergencies and unforeseen occurrences.

Standard Questions

1. What is the level of the institution's fiscal reserve?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

The total reserves of the district are evaluated as adequate to meet financial emergencies both short and long-term. The reserves are divided into four district categories. Those categories are:

- General Fund Unrestricted-Designated Reserve – State Required Minimum (5 percent) – In accordance with the System Chancellor's Office Accounting Advisory FS05-05: Monitoring and Assessment of Fiscal Condition, issued in October of 2005, the System Chancellor's Office requires a minimum prudent unrestricted general fund balance of 5 percent - \$6,945,834;
- General Fund Unrestricted-Designated Reserve – Reserve Shortfall Contingency – The Board of Trustees has designated that this reserve should be a minimum of \$3,000,000 and will be used only to cover unanticipated mid-year revenue shortfalls;
- General Fund Unrestricted Reserve – Unallocated - This reserve is made up of remaining ending balance after the reserve requirements above have been met. At June 30, 2009, this amount was \$8,653,952;
- General Fund Unrestricted-Designated Reserve – Budget Rollover – Although not an actual reserve, the Adoption Budget at June 30, 2009 had ending balances of \$1,258,761 from the four budget units which were designated for one-time expenditures in 2009-10 at the specific sites that generated the balance.

2010 Self Evaluation

The Board adopted a policy to maintain a minimum five percent reserve. The only other access to cash would come from borrowing through the issuance of Tax and Revenue Anticipation Notes (TRANS) from the Community College League of California or Certificates of Participation (COPS). The district does not anticipate the need for borrowing in the near future.

The college receives the bulk of its state funding through the normal apportionment process. In the past, this had resulted in approximately 1/12th of the annual state allocation being received monthly throughout the fiscal year. The college primarily receives forty percent of its local property tax funding each December and sixty percent each April, with small deposits occurring throughout the year. The college receives its enrollment fee funding primarily in the months of April through August and November through January.

To date, the district has not faced cash flow difficulties requiring it to borrow cash. This is primarily the result of the reserve balances the district has accumulated over time. Even during such occasions when the state funds are deferred for several months, the district does not expect to borrow cash in the near term due to its level of reserves.

The insurance coverages carried are consistent with advice provided by the district's insurance brokers for an organization of the size of the district, and these are evaluated as adequate.

The district belongs to a statewide joint powers authority (JPA), which provides all liability and property insurance needs as well as worker's compensation coverage. The district maintains a small self-insurance reserve to provide coverage for the minor self-insurance retention portion of the policies. The reserve adequately handles all retention requirements, with the level of retention estimated annually by the JPA.

2010 Planning Agenda

None.

2010 Visit Evaluation

1/15/2014

Accreditation Compliance Review by Standards

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2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3.b

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

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.

Standard Questions

1. What processes does the institution use to assess its use of financial resources?
2. How does the institution ensure that it assesses its use of financial resources systematically and effectively?
3. How does the institution use results of the evaluation as the basis for improvement?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

In addition to the specific institutional procedures for reviewing fiscal management, the district holds regular meetings of the executive staff of all three colleges to review institutional and district wide financial plans and projections. The district's Director of Fiscal Services provides financial oversight and support services to the college program managers responsible for externally funded programs, contracts, and grants. This office acts as a liaison with funding agencies to ensure funds are expended in compliance with the conditions of the agreements.

Annually, the district contracts for an independent external audit of all funds and financial records. The audit, as required by state law, includes both financial and compliance issues related to state and federal funds. The absence of a qualified opinion of the financial statements, as well as the absence of reportable conditions and noncompliance or questioned costs related to federal or state projects, provides evidence of the adequacy of fiscal management related to these programs.

Annually, the audit includes findings and recommendations to management for strengthening internal controls or for improving financial procedures. None of these findings have proven significant, but each year the district reviews those findings and recommendations with the involved parties and develops plans to implement changes, if reasonable and cost effective.

2010 Self Evaluation

All areas of district funding are managed under the same financial oversight and management systems. District staff coordinates training for new grant or auxiliary managers. Budget development management processes and controls are similar to those of the college's general fund. Current audits and financial program reviews indicate no significant findings or recommendations.

For the 2006-07, 2007-08, and 2008-09 academic years, the ending balance of unrestricted funds for the college has been \$384,082, \$408,801, and \$418,474 respectively. This amount has proven to be sufficient to maintain an operating reserve needed for emergencies. In addition, through Board action, the college would have access to the district reserves should a critical need arise from a factor beyond the institution's control.

The Board adopted a policy to maintain a minimum five percent reserve. The only other access to cash would come from borrowing through the issuance of Tax and Revenue Anticipation Notes (TRANS) from the Community College League of California or Certificates of Participation (COPS). The district does not anticipate the need for borrowing in the near future.

The district belongs to a JPA, which provides all liability and property insurance needs, as well as worker's compensation. The district maintains a small self-insurance reserve to provide coverage for the minor self-insurance retention portion of the policies. The reserve adequately handles all retention requirements, with the level of retention estimated annually by the JPA.

2010 Planning Agenda

None

2010 Visit Evaluation

Ventura College - Accreditation Compliance Review by Standards

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3.c

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

The institution plans for and allocates appropriate resources for the payment of liabilities and future obligations, including Other Post-Employment Benefits (OPEB), compensated absences, and other employee related obligations.

Standard Questions

1. *Is the institution fully funding its annual OPEB obligation (Annual required contribution (ARC))? At what level is the contribution being funded?*

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3.d

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

The actual plan to determine Other Post-Employment Benefits (OPEB) is prepared, as required by appropriate accounting standards.

Standard Questions

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3.e

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

On an annual basis, the institution assesses and allocates resources for the repayment of any locally incurred debt instruments that can affect the financial condition of the institution.

Standard Questions

1. *What is the level of locally incurred debt?*
2. *What percentage of the budget is used to repay this debt?*
3. *Does the locally incurred debt repayment schedule have an adverse impact on institutional financial stability?*

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3.f

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

Institutions monitor and manage student loan default rates, revenue streams, and assets to ensure compliance with federal requirements.

Standard Questions

1. What is the default rate for the past three years?
2. Is the default rate within federal guidelines?
3. Does the institution have a plan to reduce the default rate if it exceeds federal guidelines?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

2010 Self Evaluation

2010 Planning Agenda

2010 Visit Evaluation

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3.g

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

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.

Standard Questions

1. *What contractual agreements exist, and are they consistent with institutional mission and goals?*
2. *Does the institution have appropriate control over these contracts? Can it change or terminate contracts that don't meet its required standards of quality?*
3. *Are external contracts managed in a manner to ensure that federal guidelines are met?*

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

Prior to seeking or accepting a contract or grant from a department or division, the President, Executive Vice President, and Vice President of Business Services review the project for consistency with the college mission and goals. Grant applications and proposed contractual agreements with external entities are also reviewed by the Chancellor's Cabinet (IIID.12: Grant Proposal Form). The district presents each agreement to the Board for approval. The district approves most contracts on an annual basis, and the district can terminate contracts prior to completion if it deems that action appropriate.

2010 Self Evaluation

All grants and contracts for support services are reviewed to ensure they are related to the college and district mission. This support of mission is part of the request for approval presented to the Board.

The college and the district have increased the standards by which grant applications are evaluated relative to the mission of the institution. Effective with the 2009-10 academic year, only grants that can demonstrate a direct link to mission are approved at the Chancellor's Cabinet level.

2010 Planning Agenda

None.

2010 Visit Evaluation

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.3.h

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

The institution regularly evaluates its financial management practices and the results of the evaluation are used to improve internal control structures.

Standard Questions

1. Does the institution have an annual external audit to provide feedback on its processes?
2. Does the institution review the effectiveness of its past fiscal planning as part of planning for current and future fiscal needs?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

As stated earlier, an independent auditor annually audits all district funds and financial records. The audit includes an opinion on the financial statements and the financial management system, on issues related to federal and state compliance, and recommendations to strengthen internal controls or to improve financial procedures. In addition, the district office provides oversight and support services ensuring the integrity of the financial management system. Financial controls, assessments, and evaluations exist and operate well. The district compares financial results to the budget as part of fiscal planning and makes appropriate adjustments as necessary.

2010 Self Evaluation

Both college and district policies and procedures control financial oversight and management of the general fund activities. Coupled with independent financial audits and internal and external program reviews, the district and college believe that the management and control processes are adequate. The district and the college see the primary issue as one of insufficient resources to operate the district, not a lack of prudent management at the college level.

As noted earlier, the district annually undergoes a comprehensive external audit. The audit is conducted in accordance with state compliance requirements and generally accepted accounting principles.

2010 Planning Agenda

None.

2010 Visit Evaluation

2010 Visit Finding

Ventura College - Accreditation Compliance Review by Standards

III.D.4

Original Evaluation

Revised Evaluation

Revised Date

Standard Description

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

Standard Questions

1. How does the institution ensure that financial decisions are developed from program review results, institutional needs, and plans for improvement?
2. What evidence is there that the institution bases its financial decisions on the results of evaluation of program and service needs?
3. How does the institution determine that financial needs in program and service areas are met effectively?
4. How does the institution prioritize needs when making financial decisions? How effectively are those needs met?

Required Evidence

Challenges

Strengths

Findings

Actions

2010 Descriptive Summary

The Vice President of Business Services tracks the use of financial resources on a college-wide basis, working with the Executive Vice President and the deans to ensure that all college departments and programs operate within their allocations and that chronic budget shortfalls are addressed through the development of subsequent annual budget proposals

2010 Self Evaluation

The Vice President has worked with the CRC to analyze the proportional use of college resources relative to institutions of similar size and complexity (IIID.13: Minutes, Campus Resource Council Design Team). The results of this analysis have found that the manner in which funds are divided between instruction, student services, and operations is consistent with other benchmark colleges (IIID.14: Budget Allocation Comparison Spreadsheet).

2010 Planning Agenda

The Campus Resource Council will continue to monitor the proportionality of the college budget, and will use this research as the basis for recommendations for any adjustments needed to preserve institutional integrity as the budget either increases or decreases in the years ahead.

2010 Visit Evaluation

2010 Visit Finding

