

FOLLOW UP VISIT REPORT
LASSEN COMMUNITY COLLEGE

P. O. Box 3000
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A Confidential Report Prepared for
The Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges

This report represents the findings of the evaluation team
that visited

Lassen Community College
on
October 16, 2008

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Lassen Community College Report on Follow Up Report Visit

October 16, 2008

Introduction

At its June 2008 meeting, the Commission reviewed the institutional self study report and the report of the evaluation team which visited Lassen Community College on March 11-13, 2008. The Commission acted to continue Lassen Community College on Probation and require a follow up report by October 15, 2008 followed by a visit of Commission representatives. As the College was on Probation prior to its comprehensive visit of March 2008, it is important to review the College's accreditation history beginning with its comprehensive visit in spring 2002, when the Commission made recommendations on the College's research, evaluation and assessment processes; program review, integrated planning and budgeting, long-range financial planning, technology infrastructure, and institutional integrity, organizational climate and communication; and required a progress report and visit in two years (April 2004). The following provides a review of the college's responses and Commission actions up until the comprehensive visit of March 2008:

- The Commission accepted the April 2004 report and required a Focused Midterm Report in April 2005 focused on the integration of its planning processes and execution of plans, and institutional climate and communication.
- In June 2005 the Commission accepted the April 2005 report and required a Progress Report in one year (March 2006) with a focus on the major recommendation concerning integration and coordination of the College's planning processes, since these had been a Commission concern from the previous accreditation cycle.
- In June 2005 the Commission received the California State Chancellor's Office report on its Minimum Conditions Review (compliance conditions which must be met in order to receive state funding, covering the vast majority of the college's revenues.) That two year review of college activity resulted in the decertification of a major portion of its enrollment and the requirement to reimburse the state over a period of time for the revenue inappropriately collected.
- The college president had invited a Management Review by California's FCMAT (Fiscal Crisis and Management Assistance Team), designed to assist the College with its financial situation. The report was published in January 2006.
- In June 2006 the Commission reviewed the College's March 2006 progress report as well as the FCMAT report and acted to place the College on Warning, to require a Special Visit within the next two months, and to require a Progress Report in October 2006. The Commission's concern was that the institution appeared to be pursuing a course of action that would place it in non-compliance with numerous Eligibility Requirements as well as numerous Accreditation Standards.
- In July 2006 the special visit took place and resulted in the college receiving 21 specific recommendations to address its accreditation deficiencies. These included

the requirement to immediately submit substantive change proposals for three distance education programs to meet compliance with Eligibility Requirement 21 on Relations with the Commission.

- In January 2007 the Commission reviewed the Special Visit Report of July 2006, accepted the College's November 2006 Progress Report, and placed the College on Probation. The Commission required a Progress Report in March 2007 to be followed by a visit, and asked the college to address the 17 unmet recommendations remaining from the 21 recommendations of the July 2006 Special Visit Report.
- In June 2007 the Commission reviewed the Special Visit Report of May 2007, accepted the College's March 2007 progress report, and continued the College on Probation. The Commission required a Progress Report in October 2007 to be followed by a visit to address the 10 unmet recommendations remaining from the 21 recommendations of the July 2006 Special Visit Report.
- In January 2008 the Commission reviewed the Special Visit Report of October 2007, accepted the College's October 2007 Progress Report, and continued the college on Probation. The Commission required that the College address the seven unmet or partially met recommendations remaining from the 21 recommendations of the July 2006 Special Visit Report.

The June 2008 Commission recommendations (eight) from the Lassen College's March 2008 comprehensive visit still encompassed five recommendations from the July 2006 Special Report Visit Report addressing institutional planning and decision-making, student learning outcomes, institutional research capacity, unfilled administrative positions, and an implemented faculty staffing plan.

The College submitted its follow up report and an evaluation team visit was conducted on October 16, 2008 by Dr. Sherrill L. Amador, chair, and Dr. Steve Kinsella. The visit was arranged by the chair with the college president; and the college was prepared for the visit. In preparation for the visit, the team reviewed the March 2008 evaluation visit report and the college's accreditation history.

The team met with six Governing Board members. The team also held meetings and interviews with the College President, the Special Trustee assigned by the California Community College Chancellor's Office, the Vice President/Dean of Instruction, the interim Vice President of Administrative Services, the Dean of Student Services/Institutional Research, the Director of Human Resources, and the Accreditation Liaison Officer as well as available members from the following groups: Strategic Planning Committee/Consultation Council, Academic Planning Committee/Division Chairs, CSEA Executive Council (classified staff), Academic Senate, and student leaders. An open forum scheduled by the team was attended by approximately 30 employees from faculty, staff and the administration. The team noted that the College had done extensive work to codify its policies, processes, plans, and practices and all the appropriate documentation was provided to the team.

The team found the college culture to be collaborative and those persons interviewed to be open, and honest in their assessment of the College's progress in meeting the eight recommendations from the March 2008 visit.

Background

Lassen Community College is located in Susanville, California, just east of the Sierra Mountain crest and about eighty miles north of Reno and Lake Tahoe. The College is an important institution for the small town of Susanville, where the other major employers are the Forest Service, three local prisons, and services for tourists. The College serves all of Lassen County and has an outreach center in Alturas as well as large enrollments in correspondence courses, primarily serving prison inmates. The College has recently added a fire science program and is making efforts to respond to other local economic needs. However, at the time of this visit, the college had not reached its student enrollment goals for the budget of FY 2008-09.

With the assistance of the special trustee, the administration and various governance groups submitted its September 2008 Multi-Year Fiscal and Academic Recovery Plan to the California Community Colleges Chancellor's Office. This document addresses the corrective actions required for fiscal stability and aligns compliance to the accreditation standards with those actions. The beginning phases of integrated planning by the College reflect the proposed and completed actions of this document as well. It was very evident to the team that the governing board, administration, faculty and staff have committed to improving Lassen College and are very serious about the institutional work needed to comply with the Accreditation Standards. The College has continued to address its issues since the comprehensive evaluation team left in March 2008 and is following its own plans and decisions using appropriate and agreed upon processes and practices.

College Response to the Commission Recommendations

The visiting team's evaluation of the College's October 2008 Follow up Report focused on the following eight recommendations from the March 2008 Comprehensive Evaluation Visit Report:

Recommendation 1 (previous Recommendation 19 - 2002): Institutional Planning and Decision-Making

The college must implement and evaluate ongoing student learning outcomes and institutional planning processes, which should be based on data and research that results in a strategic plan, and incorporate all other college planning documents, such as an educational master plan, a technology plan, and a facilities plan. These processes should guide future enrollment management decisions, resource allocation, and most importantly educational programs and services for the students and the community. The processes should be evaluated, using agreed-upon criteria, on an annual basis to determine the effectiveness of the governance groups and leadership responsible for them, as well as the success of the planned outcomes and

actions stated in the plans. (Standards IA.4, IB.3, 4, 5, 6, & 7, IIA.1c, IIA.2e, IIA.2f, III B.2a&2b, III C.1&2, IIID.1 – d, IIID.2 a – g, III D.3, IV A.3, IV A.5)

Lassen College has defined its planning processes. These processes are outlined in the Institutional Planning and Budget Development Process Handbook and within the Shared Governance & Collegial Consultation Process Handbook, 2008-09. The consultation handbook is a revision of the 2007-08 Handbook. The Consultation Council completed an evaluation of the defined processes which were used for developing the plans and resource allocations for the budget FY 2008-09. The College's 2008-09 Comprehensive Institutional Master Plan, which is a revision of its 2007-08 comprehensive plan and based on the latest program review results, includes Academic Goals for 2008-09 and 2009-10 as well as lists of actions to meet each goal. The Academic Senate, responsible for instructional program review, has scheduled an assessment and update of those processes for fall 2008 and at the time of the visit that had not been completed.

The comprehensive plan does include some evidence of technology and facilities planning, but is not based on educational programming and services using robust data and analysis. The document appears to be more of a "to do" list, and in the opinion of the team monumental in scope and not possible to achieve within a year or two. The College recognized at the time of the comprehensive visit in March 2008 that it had a lot of good ideas, but needed need to step back and develop a "big picture" for its future based on both external and internal factors including research. Therefore, the Strategic Planning Committee, restructured as a result of the May 2008 evaluation of the planning process to be comprised of the same campus leadership members as the Consultation Council, met throughout the early summer to compile and analyze data for consideration in the development of a Strategic Master Plan. A joint retreat with the Governing Board was held in July 2008. As a result of the work accomplished the Governing Board adopted the refined vision statement and six strategic goals on August 12, 2008 and a revised mission statement on September 23, 2008.

At the time of the visit, the Strategic Planning Committee had an October 14th draft of the Strategic Master Plan, 2009-2014. The team made the observation that the current draft had more detail than can reasonably be accomplished in the first couple of years. The College has stated a significant number of specific activities to accomplish each goal over a five year period (year by year), but the document does not reflect an analysis of how these activities can occur and if the sequence is appropriate. Instead the team suggests using the concept of an annual implementation plan based on its strategic goals to set priorities for the first year of the strategic plan to ensure that those are accomplished. Then determine who and how each priority will be monitored for accountability, and describe the priorities as outcomes versus activities for the ease of evaluating the success of each based on agreed upon criteria. The College expects to finalize the Strategic Master Plan in early spring 2009 and use it for budget allocations for the budget FY 2009-10. Once the Strategic Master Plan is finalized then the educational master plan driving facilities and technology plans can follow.

Conclusion: The College has partially implemented this recommendation. When the Strategic Master Plan is completed in early spring 2009, the remaining plans for future educational programs and services, staffing, technology, and facilities can be based on the College's planned future direction and will meet the accreditation standards. The team observed that the College appears to have the institutional will to complete the work. The College has taken very seriously the self-assessment of its processes, actions, and plans and with an enhanced research function will be able to add the data-driven analysis required to ensure the evaluation of its planned outcomes.

Recommendation 2: (previous Recommendation #14 - 2002) Student Learning Outcomes

The team recommends that the college achieve a sustainable level of assessing student learning outcomes, which can be used for continuous quality improvement. Administrators, faculty, and staff need to continue to conduct meaningful, timely, and inclusive dialogue with all constituent groups to identify, develop, implement, and assess student-learning outcomes at the course, instructional and non-instructional programs, and degree levels and use the results of those assessments to improve student learning, services, plans, and institutional effectiveness. (Standards IB.1, IB.4, IB.7; Standard IIA.1c, IIA.2a, IIA.2b, IIA.2e, IIA.2f, IIA.2g, IIA.2i, IIA.3, IIA.6, IIA.6a, IIB.1, IIB.3.e, IIB.4, IIC.2; Standard III; and Standard IVA.1, IVA.2b, IVB.1b)

By spring 2008 student learning outcomes (SLO) were developed for 84% of all courses and 93% for all degrees and certificates by subject area faculty and approved by the Curriculum/Academic Standards Committee, the Academic Senate and the Governing Board. The initial assessment of course level student learning outcomes began in spring 2007 with the assessment of SLOs in two courses as a pilot program.

In fall 2007 each faculty member was required to submit an assessment plan for one SLO for one course at the beginning of the semester and provide assessment results to the Office of Instruction at the end of the semester. Interviews with the division chairs and the Academic Senate revealed that the result of this information was beginning to impact educational planning and scheduling. Also, the aligning of the SLOs at the course level with program and general education SLOs increased the dialogue at all levels of the college. Beginning in spring 2007, SLO assessment became a part of the program review process and as a result SLOs became a formal part of the planning and allocation process for the budget FY 2008-09.

The team suggests a simplification of the assessment processes in order to develop institutional-wide protocols for measuring SLOs. The College's current research function capabilities, which the team considers too disparate and undefined for robust research and analysis of SLO data, does not provide the needed expertise to accomplish an institutional focus for using the results of the assessments or the formalization of the changes to impact future curriculum and services planning. The team observed that the

College is learning through its initial work on basic skills how important coordinated assessment and use of the results is necessary for student success.

Conclusion:

The College has partially implemented this recommendation. Using the ACCJC rubric for student learning outcomes, the team determined the College has almost completed the development stage. The college is commended for its faculty driven SLO processes, but the lack of institutional, research-based assessment protocols leaves the team questioning of the validity and reliability of the all the results achieved to date. This situation places the faculty at a disadvantage as the necessary research resources are not available to them. Coordination of the research practices and protocols for measurement of SLOs should better inform educational program and services decisions. See recommendation 3 below for research issues.

Recommendation 3: (previous Recommendation #17 - 2002): Institutional Research

The college must fully develop, implement, and evaluate its research capabilities (staff skills, data analysis/interpretation and use of data) assuring the college has the appropriate resources and staff to perform the necessary research, data collection, and analysis to meet all accreditation standards. The college needs to conduct research on programs and services, student achievement and learning outcomes, and institutional effectiveness, such that program reviews and stated learning outcomes can draw on this resource to improve the effectiveness of the college. The results of the research need to be used by the leadership and all governance groups in their deliberations, dialogue, and decision-making. (Standards IB.3, IB.4, 5, 6, 7, IIA.1a, IIA.2e, IIA.2f, IIB.3a – 3e, IIB.4, IIC.2, IVA.1 -4)

The College evaluated its research capabilities in late fall 2007 and as a result configured the research function by assigning oversight to the Dean of Student Services. The office function has an Enterprise Systems Developer/Research Analyst, and the Director of Information Technology and the Director of Admissions and Records advise and support the research office. The new configuration has resulted in Annual Fact Book, standardized management reports, more systematic reporting for the California Community Colleges Chancellor Office, and expanded the number of reports available to authorized users.

The College is now generating the required data on FTES, revenue and expenditure data, course completion and retention data, etc. A list of data for the 2008-09 instructional programs reviews was refined and significant portions of this list were provided to faculty in August 2008. Data elements from this refined instructional program review data list not available in August were scheduled for delivery to faculty during the early Fall 2008 semester as the data became available.

Institutional data that was available was used to inform the strategic planning process in summer 2008. The staff has organized the necessary reports and reporting functions as required of a community college research office. However, the team observed that the research functions of analysis of student learning outcomes, educational issues, trends, and institutional performance are still lacking. This situation continues to hinder the College's ability to create a culture of evidence. A review of committee and council minutes revealed data is only used on the basic issues of enrollment, scheduling, and some fiscal issues. The educational quality research issues surrounding student achievement and performance, learning outcomes, service outcomes, and institutional outcomes is not occurring. The college does not have a research advisory committee/group where discussion is held on what issues need to be researched to improve student and institutional performance. The Governing Board also indicated they wanted more information on institutional performance based on research and analysis.

Conclusion: The College has partially achieved this recommendation. The College has made beginning efforts within its budget capabilities and existing personnel to create a research function. The initial organizational work has been completed. The team noted that the College is better informed using the data currently available than it has been in the past. However, to fully achieve a culture of evidence and benefit from robust research and analysis, the College will need to further refine its capabilities and expertise. Then the results of the research can be used by the leadership and all governance groups in their deliberations, dialogue, and decision making.

Recommendation 4: Employee Evaluations

The college must take steps to assure that evaluation processes of all personnel are current, and the evaluation processes seek to assess effectiveness of personnel and encourage improvement. Evaluation of faculty members must include, as a component of their evaluation, effectiveness in producing student learning outcomes. (III.A.1.a&b)

The college is taking steps to implement this recommendation. All but 14 of the 35 full time faculty members are current on their evaluations. Three management employees and one confidential employee need to have evaluations completed. Good progress has been made in evaluating full time employees. However, adjunct faculty members have not been evaluated in many years. Additionally, the faculty evaluation process does not include a component of evaluation where the effectiveness in producing student learning outcomes is considered. The needs to ensure others responsible for student learning have a component of student learning outcomes in their evaluations as well.

In discussions with college personnel, the team learned that the faculty bargaining unit is negotiating a process to evaluate adjunct faculty. The College is waiting until a negotiated evaluation process for adjunct faculty can be obtained. The adjunct faculty were recently added as represented employees of the faculty union. At the present time the only evaluation process that exists for adjunct faculty is the full time faculty process that includes the following components: 1) self evaluation, 2) immediate supervisor

written evaluation, 3) peer evaluation, and 4) student evaluations review. The full time evaluation process is time consuming and comprehensive. It is believed that a truncated process can be used to evaluate adjunct employees. Because the adjunct employees are now represented by the faculty union, the College must negotiate the evaluation form and process that will be used to evaluate adjunct employees. The College uses as many as 65 adjunct faculty members each semester.

Conclusion: The College has not implemented this recommendation. It is recommended that the college continue its efforts to obtain a negotiated process that can be used by administrators to evaluate adjunct employees. Additionally, the College needs to include a component for determining effectiveness in producing student learning outcomes in the evaluation processes for faculty members as well as for others responsible for student learning.

Recommendation 5: (previous Recommendation #10 - 2002): Administrative Positions

The college must fill all administrative/management vacancies as quickly as possible while consistently using established hiring policies and practices. (Standards III A.1a, IIIA.2)

The College has hired permanent employees in the positions of Superintendent/President, Vice President/Dean of Instruction, and the Director of Human Resources. In filling the Superintendent/President position the Special Trustee and the Board of Trustees sought a waiver from the Board of Governors to waiver provisions of Title 5, California Code of Regulations that stipulated an open statewide recruitment process be used when filling administrative positions. The Board of Governors approved the waiver. As a result the Superintendent/President was offered and accepted a three year employment agreement. Other administrative positions were filled using the regular hiring practices stipulated in Title 5. During the team's visit final interviews were being conducted for the position of Dean of Administrative Services. The Superintendent/President commented that it was likely that an offer of employment would be made to one of the applicants. This position was the last cabinet level administrative position to be filled.

The Vice President/Dean of Instruction was also a newly hired permanent employee. The Vice President/Dean of Instruction position began on August 12, 2008, just two months prior to the team's visit. The Director of Human Resources was also filled on August 12, 2008 through appointment of a permanent employee to that position. The last position that remains open is the Director of Resource Development and that position funded by the Foundation is expected to administer the operations of the college's foundation and grants and is not expected to have other administrative duties related to the direct operations of the college. The closing date for the Director of Resource Development was October 12, 2008 and had not been filled at the time of the team's visit.

Conclusion: The College has fully implemented this recommendation.

Recommendation 6: (previous Recommendation # 15 - 2002): Faculty Staffing Plan

The college must implement and assess the effectiveness of a staffing plan that will ensure full-time faculty members are proportionally distributed, based on a long-term plan, which results in an effective course schedule. Faculty must be assigned to a course schedule that will meet the demands of students, so that they can achieve their academic goals in a timely manner. (Standards IIIA.1a, III.2, III.6)

The College implemented a staffing plan as part of its Comprehensive Master Institutional Master Plan, 2007-08 and 2008-09, which included a section called "Educational Master Plan." This section represents data of what has occurred in the past in terms of enrollment, cost/revenue of instruction, description of programs, and an evaluation of programs based on program reviews. This information helped the college make some decisions to better align staffing with student need. In several instances, the College either hired or reassigned full time faculty to the areas of identified need. These needs were based on student enrollment data and current teaching schedules of full time faculty. The College has made improvement in matching those students' needs of the students currently enrolled using existing institutional resources. However, enrollment projections using external and internal data as part of an educational master plan that projects several years of program enhancements, deletions, and additions has not yet been completed. The College has made several shifts in faculty assignments and has changed its scheduling focus to assist students in completing their program requirements. The redesign of the schedule focusing on the number of day, evening, afternoon, and weekend course offerings has also been positive.

Once the College has finalized its strategic master plan and educational master plan, a staffing plan will logically follow. Although there is improved balance of faculty to student needs over past years, the College is still currently faced with full-time faculty over staffing in some areas of low student need, and under staffing in other areas. Also, the College has a high reliance on part time faculty in critical areas such as English and the basic skills. This becomes an educational quality issue for the College because of the lack of evaluations of adjunct faculty. The College's remote location poses a challenge for meeting student enrollment demand as qualified faculty do not live in the service area. These issues all must be addressed in any future staffing plans. The instructional and student services staff has been working on coordinating program requirements and student schedules and the initial work has been effective.

Conclusion: The College has improved in the area of faculty staffing. However, this recommendation has been only partially implemented. Until the College has a completed educational master plan that drives faculty staffing and results in program and schedule offerings that reflect that plan, this recommendation will not be fully implemented. What

has occurred to date is a response mode (which did need to occur)—trying to right the ship. The next step is to implement a long-term plan based on external data projections of educational programming based on the community educational program and service needs. Also, because the College will need to build enrollments for fiscal reasons or be forced to make the appropriate reductions, it is imperative planning and scheduling is based on building capacity for the future. This approach builds sustainability versus the practice of chasing student enrollments in areas that are not part of future educational program plans or student and community educational needs.

Recommendation 7: Financial Planning

The college must, as part of the strategic planning process for the college, develop and implement a set of baseline data, which are used to evaluate performance involving financial management and planning (i.e., expected revenues and expenditures over time to ensure this planning does not result in deeper long term deficits). It must develop objectives and action items, and evaluate outcomes, based on these data, which are necessary to achieve goals. The college should incorporate data into the overall strategic planning process for the college. Standards IIIB.2a & b, IIC.2, IID.1, 2, 3)

Lassen Community College District entered into an agreement dated August 28, 2007 with the Chancellor's Office, California Community Colleges requiring the College to address academic and fiscal planning areas of the college. In response to the requirements of the agreement the College compiled a fact-based document, Multi-Year Fiscal and Academic Recovery Plan. The document includes a considerable amount of data and outlines an action matrix that serves as a roadmap to recovery. The sections cover all major regulatory areas that the college must comply with as a California community college. Some of the pertinent sections with a description of the contents follow:

- **Chancellor's Office Minimum Conditions Review**
Beginning in summer 2004 the Chancellor's Office initiated a minimum conditions review based on concerns expressed by individuals to the Chancellor's Office. The review of minimum conditions reported concerns about attendance accounting, human resources issues, certification of faculty meeting minimum qualifications to teach courses, curriculum issues, and enrollment overlaps among other concerns. The minimum conditions investigations resulted in the College having to repay \$1.7 million of the apportionment revenue it had received. The state has allowed the College a ten year payback period. Recently an adjustment was made by the Chancellor's Office to allow the college to deduct the cost of the Special Trustee and any consultant that the Special Trustee determines is critical to the college's recovery from the amount owed to the state.
- **Accreditation**
The College reported the status of its accreditation and the fact that follow up reports were prepared in response to the Accrediting Commission's actions.
- **FCMATs Management Review**
California's Fiscal Crisis and Management Assistance Team (FCMAT) was invited to the College in 2005. A detailed report was prepared by FCMAT and identified

concerns about declining enrollment and resultant declines in revenue. FCMAT completed a detailed financial assessment that accurately described the financial condition of the College and pointed out concerns about actions that would be necessary to stabilize the college and return to a position of financial strength. FCMAT assisted the college by

- **Conditions for Fiscal-Academic Stability**

This section of the report noted that the College had to prepare an educational master plan that would consider the impact of a fiscal plan on the district's educational programs. The focus of this section is on the financial impact of changes in the educational programs.

- **Corrective Action Matrix**

The Corrective Action Matrix is a guide to help track the College's overall recovery. It is a comprehensive management tool that concentrates efforts on activities that need to occur to give the College its best chance of recovery.

- **District's Fiscal and Academic Self Assessment**

The Fiscal and Academic Self Assessment is the most detailed segment of the document. The self assessment is a fifteen question questionnaire that requires information be analyzed in response to all significant aspects of the College's operations. Completing the questionnaire gives the users information about problem areas that need attention and other information about the financial condition of the College.

- **Multi-Year Fiscal Projections**

This portion of the document projects revenues and expenditures over a period of the next two fiscal years and gives actual revenues and expenditures for the past two fiscal years. The multi-year plan highlights deficits or surpluses as the case may be thereby informing the college that additional action may be necessary to reduce expenditures or to indicate that resources are available to invest in the educational activities of the College.

The plan provides an adequate baseline of data to evaluate the financial management and planning activities of the college. In addition to this plan, the College has a Comprehensive Institutional Master Plan that includes a significant amount of performance data with revenue versus expenditures analysis for each educational program.

Conclusion: The College has implemented this recommendation. The team noted that the College has compiled data concerning the internal performance of the College's departments and educational programs. An important piece of information that should be added to the overall analysis is data regarding the external environment of the college's educational needs for its service area and that will help set the academic direction for the college. Without information about community needs and the demographic data of the service area, the team believes the college has not adequately assessed its capabilities to determine actions that need to be taken to develop educational programs.

Recommendation 8: Fiscal Stability

The college must carry out its fiscal and academic portion of the Multi-Year Recovery Plan and the Corrective Action Matrix, which delineate how future revenues and expenditures will provide the college a blueprint to fiscal solvency. The college must monitor performance of these financial actions and assumptions, and make appropriate corrective actions to ensure this financial recovery plan is completed successfully. (Standards IVB.1c, IVB.2d, IVB.3c&d)

Lassen Community College District accepted a Resolution Agreement with the State Chancellor's Office, California Community College effective August 2007 and revised in August 2008. The Resolution Agreement was the result of a minimum conditions review by the State Chancellor's Office that noted a number of concerns and which resulted in an adjustment of base Full Time Equivalent Student enrollment and base apportionment revenue. A condition of the Resolution Agreement was that a Special Trustee would be appointed and be responsible for monitoring and oversight of the college's operations. The Special Trustee was not empowered to approve or disapprove the actions of the Board of Trustees as long as the College complied with the terms of the Resolution Agreement.

The Resolution Agreement includes among other things provisions that assist the College in obtaining fiscal stability through completion of activities related to planning and close monitoring of financial actions of the college. Under the guidance of the Special Trustee the college is monitoring its financial performance and acts as necessary to maintain fiscal stability.

Lassen College's unrestricted general fund revenue is \$11,327,450 for FY 2008-09 with projected expenditures of \$11,716,500 and a resultant deficit of \$389,050. Subsequent to approval of the budget the College learned that its revenue projection did not include the prior year's Cost of Living Adjustment (COLA) of 4.56% or \$457,230. Other one-time revenues were also available to the college but not included in the budget. In total the college's budget underestimated revenue by approximately \$700,000 which is sufficient to convert the deficit of \$389,050 to a surplus for the year. The college's unrestricted fund balance as of June 30, 2008 was \$1,582,332 or 13.5% of unrestricted expenditures. Although the ending fund balance is high compared to the minimum required percentage of 5% (considered a prudent reserve within California community colleges), the dollar amount of the reserve is still relatively small compared to the contingencies that confront a small college district like Lassen College.

However, the team had another concern related to revenue. The college's projected revenue includes an assumption that Full Time Equivalent Student (FTES) enrollment would grow by 273. As of the team's visit in October the college was reporting that enrollment increased by a projected 115 FTES for the year. The shortfall of 158 has a value of \$721,000. The College is continuing efforts to increase enrollment and it is too

early to know with certainty whether the college will miss its enrollment target for the year.

Lassen College has a contract through the State Chancellor's Office that requires the college to have a Special Trustee who is focused of fiscal and academic recovery. Under the direction and guidance of the Special Trustee the college prepared a Multi-Year Fiscal and Academic Recovery Plan, which includes an in-depth financial analysis and assesses the revenues generated and costs incurred on a department by department basis. The plan includes sufficient information to assist the college with decision making.

Conclusion: The College has achieved fiscal stability and has implemented this recommendation. The College will need to continue to refine expenditures and reduce expenditures in a timely manner to address any changes that may occur as a result of state revenue shortfalls during FY 2008-09. With the guidance of the Special Trustee the college has been making the needed adjustments. In consideration of the now balanced FY 08/09 budget, an adequate financial reserve and projections showing that the College expects to at least have a balanced budget for FY 2009-10, the team concludes that Lassen College has achieved fiscal stability.