

# **Compton Community College District**

## **Management Review**

**October 15, 2004**

# Table of Contents

Background and Introduction ..... 1

Executive Summary ..... 7

**Findings and Recommendations**

*Governance*..... 15

*District Budget*.....23

*Human Resources/Personnel Commission* .....35

*Police Department*.....53

*Student Services*.....55

*Facilities*.....67

*Technology Systems*.....69

**Appendices ..... 79**

## Background and Introduction

### History

Compton Community College District was formed in 1927. At that time, state law authorized high school and unified school districts to offer post secondary education through a junior college accredited program. A single Governing Board served both the school district and college district. The college operated as a unit of the Compton Union High School District. It is one of the oldest public colleges in California. In 1950 voters approved a bond measure separating the college from the district, established a distinct Governing Board, and the new board began the construction of a college campus at its present 83-acre site in Compton. The district is one of 72 community college districts in California operating 109 colleges.

Cities served by the Compton Community College District are: Carson, Compton, Lynwood, Paramount and Willowbrook. The college offers a comprehensive educational program that includes 79 degree and certificate programs as of the 1999 Western Association of Schools and Colleges (WASC) Accreditation Team visit. The college enrollment is 9,000, and its full-time equivalent student (FTES) count for the 2002-03 fiscal year was 6,120. FTES enrollment has declined in recent years and is down 279 compared to the 2001-02 FTES of 6,399.

### Study Purpose

California Education Code Section 84040 requires the Board of Governors of the California Community Colleges to adopt criteria and standards for periodic assessment of the fiscal condition of community college districts. The board also must develop appropriate procedures and actions for districts that fail to achieve fiscal stability. The Board of Governors has adopted implementing regulations in Title 5 of the California Code of Regulations.

Ongoing evaluation of a community college district's financial condition is accomplished through a series of fiscal reports and outside audits mandated by state law, which are filed with and reviewed by the State Chancellor's Office. Each college district must contract for an annual financial audit and must complete quarterly financial reports on forms prescribed by the State Chancellor as provided by state law and administrative regulations. These reports are complemented by periodic conversations and meetings between State Chancellor's Office staff and district personnel. The College Finance and Facilities Planning Division of the State Chancellor's Office is charged with fiscal oversight responsibilities.

On January 9, 2003, the State Chancellor's Office received the district's 2001-02 annual audit. The auditor made numerous findings regarding adverse conditions that negatively affect the financial stability of the district. Included within those findings were some indicating a "material" weakness in some of the district's processes and procedures. The 2001-02 audit also disclosed an alarming level of deficit spending. The district had spent

\$1,416,117 over income and ended the fiscal year with only \$61,566, or .17 percent, available for general reserves. The adopted criteria and guidelines call for a reserve level of 5 percent to be considered fiscally healthy.

The audit for the 2002-03 fiscal year was completed and submitted to the State Chancellor's Office on September 15, 2004. The 2002-03 audit report should have been received at the Chancellor's Office in January of 2004. Partly because the 2002-03 books remained unclosed and partly because the district's financial records were in disarray, the auditors could not complete their report. In August of 2004, consultants assigned by the Fiscal Crisis and Management Assistance Team (FCMAT) forced the close of the 2002-03 books. This action allowed the district's external auditors to complete their work. The tardiness of the audit report and continuing issues related to the reconciliation of the district's financial records have made it difficult to accurately assess the current fiscal condition of the college. As with the 2001-02 audit report, the 2002-03 audit cited several material weaknesses, most specifically in the area of internal controls and reporting conditions. In a review of prior year audits, it was determined that the district was negligent in addressing these material weaknesses and recommendations.

In addition to the late audit report for 2002-03, the annual financial and budget report (CCFS311) for the 2002-03 fiscal year that was due by November 3, 2003, was not delivered to the State Chancellor until December 10, 2003. The 2002-03 CCFS311 showed the total general fund ending balance to be -\$168,000. The negative ending balance is in stark contrast to the projected budget surplus of \$2,200,000 provided in the CCFS311 for 2001-02. After receipt and review of the 2002-03 report, the State Chancellor notified the district that it would be placed on a priority one watch list status. The district was required to prepare and adopt a plan for achieving fiscal stability. The plan submitted by the district was determined by the State Chancellor to be lacking in detail and did not chart a plausible recovery plan.

The State Chancellor asked that the district submit a revised recovery plan, which was done on February 20, 2004. The Fiscal Standards and Accountability Committee of the Association of Chief Business Officials, a group of statewide leaders in community college district finance, examined the district's second attempt at developing a recovery plan. Again, the district's recovery plan was found to be unacceptable. The committee concluded that the district as it was then administered could not be relied upon to manage its own recovery.

The State Chancellor's Office has communicated with the Los Angeles District Attorney's Office about potential fraud issues at the district. The District Attorney's Office is in the process of investigating the district. As a part of the cooperation between the State Chancellor and the District Attorney's Office, the review of instructional service agreements between the district and other entities for instruction has been provided to the District

Attorney. This review has resulted in the State Chancellor's determination that a portion of the state apportionment claimed by the district may not be eligible for state funding and that the district had exercised ineffective fiscal controls and oversight of courses provided by these service agreements.

On May 7, 2004, Mark Drummond, Chancellor, California Community Colleges, requested Dr. Darline Robles, Los Angeles County Superintendent of Schools, to assign the Fiscal Crisis and Management Assistance Team (FCMAT) to conduct a fiscal health analysis of the Compton Community College District. In addition, the Chancellor asked that FCMAT conduct an extraordinary audit of specific matters pertaining to the management of the college's resources. Under the authority of California Education Code Section 1240, FCMAT was assigned to perform this fiscal health and extraordinary audit study.

This report constitutes the completion of the district's fiscal health analysis and includes findings and recommendations intended to assist in the fiscal recovery of the college. The extraordinary audit reviews are ongoing and will result in future additional reports.

Following an extensive evaluation of the financial condition of the district, the State Chancellor on May 21, 2004, adopted Executive Order 2004-01 finding that "the evidence clearly supports the conclusion that Compton has failed to maintain fiscal integrity and all efforts short of intervention have been unsuccessful."

Pursuant to the May 21, 2004, Executive Order of the Chancellor, a special trustee has been appointed. The trustee assumes those legal rights, duties and powers of the Governing Board with respect to the management of the district or any of the district's assets, contracts, expenditures, facilities, funds, personnel or property, and is authorized to take actions that he deems necessary to achieve fiscal stability and integrity. Among the conditions to be met by the district in order for the Governing Board to assume its former status is the completion by FCMAT of a recovery plan and a determination by FCMAT that the district has made substantial and sustained progress in implementing the recovery plan.

## **Scope of the Study**

The work of FCMAT is defined as follows:

- 1) Conduct a fiscal health analysis of the district
- 2) Perform an extraordinary audit related to alleged illegal practices, fraud and misappropriation of funds
- 3) Develop a recovery plan
- 4) Monitor progress of the fiscal recovery plan

After the start of the study process, it was concluded by the Special Trustee that the district could not close the prior fiscal years or prepare a tentative budget for the current year

unless expert outside assistance was provided. The scope of the study was expanded to enable FCMAT to work with the outside auditor and district staff to close the books for fiscal years 2002-03 and 2003-04 and to develop a tentative budget for fiscal year 2004-05.

The study process was divided into operational categories to match the most evident fiscal and management concerns of the State Chancellor and the Special Trustee. The categories are: governance, personnel administration, finance, instruction and student services, and information technology. Other issues became known during the study process and are included for follow-up by the Special Trustee and district administration.

### **Study Guidelines**

The study process consisted of the following major elements:

- Review of documents provided by the district, the State Chancellor's Office, other agencies and discovered during the field work of the team.
- Interviews with district management and other key individuals.
- Observations of district practices. Team members visited the offices of district staff to observe work flow, record retention and student/staff interactions.
- Team meetings and conversations with the Special Trustee to share information and concerns.

FCMAT's work started shortly after the May 7, 2004 request of the State Chancellor to the Los Angeles County Superintendent of Schools. An initial document request to the district was developed, and background material from the extensive analysis done by the State Chancellor's Office was compiled and shared with Team members. Site visits began on May 21, 2004. Each Team member developed the on-site data collection and interview schedules necessary for their report category. Several on-site and telephone conference meetings were held by the whole Team.

Throughout this study effort, the cooperation of most district staff was outstanding. The Compton Community College District staff participated in this project through interviews and data collection, and showed a genuine interest in seeing that improvements are made in access and service to students.

## Study Team

The study team was composed of the following members:

Joel Montero  
Deputy Executive Officer  
Fiscal Crisis and Management  
Assistance Team  
Petaluma, California

Anthony Bridges  
Management Analyst  
Fiscal Crisis and Management  
Assistance Team  
Atascadero, California

John E. Hendrickson  
Retired Vice Chancellor,  
Finance and Administration (CBO)  
Lafayette, California

Laura Haywood  
Public Information Specialist  
Fiscal Crisis and Management  
Assistance Team  
Bakersfield, California

Andrew Prestage  
Management Analyst  
Fiscal Crisis and Management  
Assistance Team  
Bakersfield, California

Philip Scrivano  
Management Analyst  
Fiscal Crisis and Management  
Assistance Team  
Bakersfield, California

Noemi M. Kanouse\*  
Assistant Vice Chancellor,  
Fiscal Services  
Rancho Santiago Community College District  
Santa Ana, California

Greg Marvel  
President/Principal Consultant  
Perseus Associates, LLC  
Danville, California

Lois Meyer  
Retired Director, Fiscal Services  
Escondido, California

Jeanette Moore  
Retired Dean of Enrollment Service  
Hercules, California

Marcia M. Wade\*  
Director of Human Resources  
El Camino Community College District  
Torrance, California

Jacqueline M. Fretto\*  
Administrative Director,  
Information Technology  
Coast Community College District  
Costa Mesa, California

\*As members of this Team, these consultants were not representing their employers, but were performing consultant functions solely as independent contractors for FCMAT.



## Executive Summary

A responsible public organization is the result of a clear vision and a sense of service that is expressed in writing and behavior by the Governing Board and senior management. Establishing a vision of the organization and a purpose that drives the best use of resources and service to the community is a responsibility of the Governing Board and senior management. In the Compton Community College District, FCMAT found an organization that lacks leadership and direction, and is not built on a foundation of fiscal responsibility and service to the various communities served by the organization.

District problems came to light because of serious overspending. The district has been deficit spending for at least three years and possibly for a longer period of time. The State Chancellor's Office regularly monitors the financial condition of the 72 community college districts in California. The State Chancellor became concerned with the financial condition of the district in 2002 because of the reported deficit spending and a decline in student enrollment. In January 2003, the State Chancellor began a special review of the organization and assigned staff to work with the district.

The exceptional level of concern and fiscal monitoring was due to the alarming drop in reserves that was reported in the 2001-02 financial audit report received in January 2003. Since that date, the State Chancellor's staff has worked with the district to determine whether the district has the capability of turning around the pattern of deficit spending and to develop a workable recovery plan to ensure solvency and student access to higher educational programs in communities served by the district.

After extensive correspondence, examination of district finances and the review of its plan to recover from possible insolvency, the State Chancellor determined that the district was not capable of preparing a recovery plan or adequately managing its affairs. The district failed to deliver an audit report for the 2002-03 fiscal year that was due on January 1, 2004. It was eventually submitted on September 15, 2004. The district's submitted financial reports showed a significant swing in forecast ending balance for the 2003-04 fiscal year from an estimated balance in October 2002 of \$2.2 million to a more recent report dated December 10, 2003, showing a negative ending balance of \$-168,000. This sort of budget swing is a result of the district's inability to accurately monitor, assess, and analyze its own financial condition. Based on the available information, it is the opinion of FCMAT that this fiscal inconsistency is a result of inattention and neglect by senior management including the Chief Financial Officer, inadequate monitoring by the administration, and improper oversight by the Governing Board.

The district's annual deficit spending pattern has created a structural deficit that transcends fiscal years, eventually impacting the current fund balance. Prior to the assignment of the Special Trustee, the district had not implemented any plan to mitigate the deteriorating solvency of the district. In fact, the poor financial records of the district, the lack of internal

controls, and the failed implementation of the electronic budgeting system created a situation where, at any given point in time, the college was unable to assess its financial status. As a result, the district tended to exist financially from day-to-day, spending any available reserves and consuming cash from other funds.

Before FCMAT was requested to provide services to the district, the district had spent itself into a position of near bankruptcy. The district would have been unable to make payroll or other expenses in March 2004 if cash in the Proposition 39 Measure CC bond fund was not available for operational cash flow needs. All dollars borrowed from the bond fund for cash flow purposes must be repaid to that same fund prior to the end of the fiscal year in which the money was borrowed. The district's cash position was negative for 10 of the 12 months in the 2003-04 fiscal year. This created the necessity for the Los Angeles County Office of Education (LACOE) to cover payroll and accounts payable with money from other district funds. In an attempt to reconstruct the cash flow history of the district, the district staff was unable to produce any documentation that would have indicated that any individual or division of the college was consistently involved in projecting and monitoring cash balances. Assessing and monitoring cash should be part of the regular routine of any public agency.

During the writing of this report, the district auditor and staff, with assistance from FCMAT, have closed the district's financial records for the 2002-03 fiscal year. The final audit report for the 2002-03 fiscal year was received by the district on September 15, 2004. The financial records for the 2003-04 fiscal year have also recently been closed. It is likely that the close of the both 2002-03 and 2003-04 financial records was completed without a full accounting of all financial transactions that may have occurred in those fiscal years. This situation has evolved because the district was not diligent about posting entries to the system as the transactions took place. Based on the prior year close, the district has revised its budget document for the 2004-05 fiscal year and will present the adoption budget to the Special Trustee for approval.

Budget decisions for the 2004-05 fiscal year have been made based on the best information available and will require substantial monitoring of projected revenues and expenditures to sustain the district's proposed adoption budget. In order to assist in this process, the FCMAT report includes a recommended organizational chart that focuses management attention on student success, clarifies reporting relationships and cuts costs. FCMAT has also provided numerous specific recommendations to improve service, bolster revenue and reduce expenses.

The budget that is being presented to the Special Trustee for consideration is based upon the unaudited actuals from the close of the 2003-04 fiscal year. FCMAT expects that a number of audit adjustments will be made by the district's external auditor during the process of reviewing fiscal year 2003-04. These audit adjustments could negatively impact

the projected fund balances in all funds for the 2004-05 budget. The 2004-05 budget is built on a weak documentary foundation, which is the result of the incomplete and inaccurate financial practices of the district over the past several years. Given these factors, the following is a brief analysis of the major points of fiscal considerations for the current year general fund budget. More budget details appear in the financial section and appendices of this report.

The projected beginning balance of the 2004-05 general fund is as follows:

\$213,041 unrestricted  
\$224,454 restricted

These numbers are carried forward from the 2003-04 ending balance and do not reflect a required budget reserve for that year or reconciliation of the other funds. The projected total revenue in the general fund unrestricted budget for 2004-05 is \$26,913,820. The projected total expenditures in the general fund unrestricted budget are \$26,918,110. Given these projections, the district shows revenue over expense in the amount of a negative \$4,290 during this year. This number is a representation of the district's deficit spending for the 2004-05 fiscal year. Combining this amount with the beginning balance would provide a total projected ending fund balance of \$208,751. This ending balance does not consider the following elements:

- Required reserve - Based on the revenue projection in the general fund unrestricted side of the budget, an estimate of the required reserve is approximately \$1.3 million. The fund balance in the current budget is not adjusted to reflect this amount.
- Indirect costs - In budget year 2002-03, indirect costs were budgeted as approximately \$360,000 in the general fund. In 2003-04, no indirect costs were budgeted. In 2004-05, the district estimates nearly \$600,000 in indirect costs. This increase of approximately \$240,000 would not follow the historical patterns of the district.
- Transfers out to balance the other funds - In the 2003-04 budget year, the district transferred \$1,013,436 out of the general fund to balance other funds. In the 2004-05 budget year, transfers out are budgeted at \$0 (zero). However, the probability of zero transfers out of the general fund is remote.
- Health benefits - Health benefits are budgeted at approximately the same level in 2004-05 as they were in the prior year, while the costs for salaries remain basically constant. Trends indicate that the cost of health benefits will increase by as much as 25 percent. In addition, the district has a very large unfunded liability for post-employment benefits. This long-term debt, combined with an ever-increasing pay-as-you-go expense for retiree benefits, is not adequately addressed in current or future budgets.

Based on prior years' financial history, the real and present possibility of audit adjustments in 2003-04, and the lack of other mitigation factors, FCMAT assumes a projected negative budget position in the general fund unrestricted at the end of 2004-05. A prudent and true projection of the budget might be considered as follows:

Projected ending fund balance, GF unrestricted	208,751
Prudent reserve at 5%	1,360,000
Indirect cost adjustment	100,000
Transfers (one-half of 2003-04 amounts)	507,000
Adjusted fund balance based on these assumptions	-1,758,249

This analysis does not consider potential increased costs for health benefits, the unfunded liability for post-employee benefits, or likely audit adjustments from 2003-04. Additionally, the district is now, and has been, out of compliance with the 50 percent rule, Education Code 84362, which states that 50 percent of expenditures should be in instructional salaries. It appears, from the initial analysis, that in 2002-03 and 2003-04 the 50 percent rule was not considered. In at least one of those years, no waiver was filed with the Chancellor's Office for relief from that rule. The potential impact of non-compliance could include a fine that would have to be funded from the general fund unrestricted budget.

A prudent reserve would have to be maintained in the budget for the current and two subsequent years before the district could be assessed as fiscally solvent. Noting that the district's budget division has never prepared multiyear projections, FCMAT has created a three-year projection showing continuing deficit spending, declining fund balance and an inability to maintain the necessary reserves. These projections are based on the current status of the budget and do not consider any possible future mitigations.

Business Office and Human Resources staff need better supervision and sustained training in order to use the capabilities of any modern integrated management system. A major weakness in the district's personnel and fiscal management is the lack of any form of position control. The software used by the Los Angeles County Office of Education includes position control that is designed for tracking and monitoring all certificated and classified positions by the Human Resources Department. The Compton Community College District's current software also appears to be able to provide this key element of budget development, expenditure control and financial forecasting.

An immediate decision is necessary regarding which of these two systems will be used for personnel and financial management. After this decision is made, staff training on the use of the system needs to be provided. Job descriptions need to be rewritten and performance evaluations should be updated based on the employee's ability to carry out job duties using

the automated system capabilities. The technology section of this report provides information related to the business and personnel system conversions.

The Governing Board has demonstrated questionable decision-making that has created potential conflicts of interest in its governance duties. There are numerous and recent instances of board member influence in hiring decisions and staff assignments. One example of a questionable decision is related to the board's employment of hourly staff assistants for each trustee. FCMAT is not aware of any other community college district in California that employs assistants for each board member. Further, Compton Community College District is a relatively small district statewide in terms of student enrollment. The staff assistants also receive a health plan that costs the district \$6,500 per month for themselves and their dependents. At a time when district finances are in question and deficit spending has been occurring for multiple years, the decision to fill these positions appears unjustified.

Other examples of Governing Board member decisions that constitute either excessive spending of funds or interference with effective administration are:

- The assignment of district-owned cars to board members for their personal use
- The use of the district's credit card for non-college expenditures and reimbursing the district at a later date
- The use of the college bus for non-educational purposes
- The involvement of individual board members or staff assistants directly in the negotiations and development of contracts for the procurement of technological hardware
- Bypassing the President in working with college management and other staff

The Governing Board is expected to focus its attention on the careful planning and use of state and local tax revenues. It is the Governing Board's responsibility to set an expectation of quality and service and to maintain the public trust. The Compton Community College Governing Board does not meet these basic expectations. Further, the board is overly involved in the day-to-day management of the district.

The management structure of the district is not effective. A proliferation of supervisory and management positions results in both excessive costs and confusion for employees and students. Classified salaries and contract expenditures are high when compared with data from colleges of similar size and geographic location. Appendix D is a schedule taken from the State Chancellor's Office Fiscal Data Abstract. This document compares Compton Community College District with four other California community college districts in the areas of revenue, academic salaries, classified salaries, employee benefits, operating expenses, and total expenditures.

Comparison data reinforces the observation that the district has unnecessarily created jobs in both categorical programs and general fund programs. Further, the district has entered into numerous contracts for consulting and operational purposes at a level that is not seen at most other colleges. Reduction of costs for classified salaries and for contract services is necessary.

Instructional programs at Compton College are not regularly assessed through an effective program review process. Additionally, the college district does not have an organized and effective enrollment management process. The inequity in curriculum offered and lack of a schedule of classes that is responsive to student needs results in faculty distrust of district management, poor allocation of available resources, denial of access for students to desired higher educational programs, and missed opportunities to improve district income.

The student admissions process is archaic and needs to be immediately replaced with modern, automated, student-centered processes. Online, Web-based application and telephone registration systems are not available to students wanting to attend Compton College. College apportionment income depends on enrollment growth. Further, students cannot effectively plan for their college course needs by continued reliance on “at the window” registration. An infrastructure to support automated registration processes, appropriate system security and the installation of proven software is a necessary component for rebuilding Compton College’s image as the higher education provider of choice in the community. District solvency is tied to attracting student enrollment through the better use of automated systems.

FCMAT reviewed facility and police operations as a part of the overall assessment of district fiscal and program management. In both areas, there is a need for stronger leadership. The district has received state bond funds for two major new buildings in the past four years. Both building projects have resulted in considerable cost overruns and poor construction, leaving the buildings unusable. The district borrowed additional local funds through the issuance of Certificates of Participation to complete these projects and to settle claims with the contractors used for each project.

The police department is not certified by the California Commission on Peace Officer Standards and Training, and is headed by a non-sworn and inexperienced civilian position, the Deputy Superintendent/Executive Vice President for Academic Affairs. The police department needs to be managed by an experienced law enforcement professional. Under the current organization, “police badges” are given to Governing Board members, the Personnel Commission members, and certain district employees.

Financial, human resources, and student information systems currently in place at Compton CCD do not meet industry standards for the development and functionality of these systems. There are extensive problems with system security, network scalability, da-

tabase optimization, reliability and administrative workflow. Communications between the district and the company that provides the systems and software support have been difficult and ineffective. The district should create a contingency plan for managing the current systems while developing a project plan to migrate these systems to another platform. The district also is in need of a Chief Technology Officer position to provide a technology master plan and vision, manage the day-to-day operations and provide guidance to the staff.



## **Governance**

### **Role of the Board**

#### **Findings**

The role of the Governing Board in higher education and for virtually any local government is to set policy, hire and evaluate the Chief Executive Officer and create a vision and environment for the efficient delivery of public services. Members of the Governing Board carry out the will of the people who elected them. Careful development and maintenance of the public trust is essential to responsible governance.

FCMAT found, through interviews, observation, Governing Board agendas and personnel actions that the Compton Community College District board is overly involved in the day-to-day administrative operations of the college. Board members participate at the department level in discussion and decision-making and greatly interfere with the administration of college programs. These actions are evident throughout the college in areas of academics, student services, personnel and administrative functions.

Board involvement reaches the level of influencing initial hiring and employee promotions. Employees come to rely on board member support in day-to-day activities rather than maintaining a direct relationship for performance accountability with their immediate supervisor.

Instances of inappropriate board member participation occur in the evaluation of competing products and vendors. Such involvement in college administration results in chaotic decision-making and often in higher costs. Employees need to know who is in charge. The CEO must be given the power to establish processes for the effective and efficient delivery of services and to hold employees accountable for adhering to these processes. Governing Board involvement in administrative activities results in wasted effort, inefficient use of personnel and ineffective leadership.

The college owns a large bus that is used for athletic and other college instructional and student service needs. The bus has also been permitted to be utilized by Governing Board members for purposes that apparently are not educational. College staff members report that the bus has been checked out on several occasions by board members for trips to Las Vegas to carry people who are not students or employees. Further, fares are reportedly collected, and there is no formal records of that cash being deposited to the district. Responsibility for bus use appears to be assigned to more than one person. FCMAT believes that the operation and maintenance of the college bus should be under the control of a single manager to assure that this district asset is properly managed and that competing priorities for the use of the bus can be addressed.

It is also unclear how the district paid for the bus. Some staff allege that bond funds were utilized to support at least a portion of the bus purchase. If that is the case, it is quite possible that the general fund will have to reimburse the bond fund for the amount used for this purpose. Further review is necessary to come to closure on this issue. The annual financial and performance audits on Measure CC as required in the State Constitution pursuant to Proposition 39 have not been done. The review of the bus purchase will be included as a part of these bond fund audits that will take place beginning in Fall 2004.

## Recommendations

*The Special Trustee should:*

1. Revise Board Policy 1.2 concerning involvement in hiring line administrators.
2. Revise Board Policy 1.10, which calls for a board member to chair many operational committees of the college.
3. Ensure that board members immediately refrain from day-to-day administrative activities, including the influencing or directing of administrative decisions on issues such as course scheduling; faculty scheduling; employee hiring, discipline, transfers and assignments; and procurement or expenditures.
4. Request the Community College League of California to help arrange for board workshops on the proper role of the Governing Board and effective college leadership.
5. Assign the college bus to the Facilities Department or to another manager to ensure the best use of this asset.
6. Discontinue the practice of permitting board members to use the bus for any purpose. All uses must be requested by an appropriate program manager and approved by the manager assigned the duty of controlling use of the bus.

## Governing Board Policies

### Findings

FCMAT reviewed Governing Board policies to consider the organization and completeness of this document. The document provided to FCMAT is entitled “Policy Manual of the Board Trustees – 2003” and is noted as being a draft.

Overall, the Policy Manual is a good guide to governance and operations of the district. However, it is not consistently followed by members of the board or the administration. It contains some policy statements that are illegal or inappropriate and that interfere with the effective operations of the college.

The historical notations, categories of policy statements and general writing in the manual appear to be clear and useful. Policy 1.1 references 20 separate publications. A review of these publications is necessary to determine whether each publication is still current and appropriate.

Below are examples of policies that are not followed by the board, administration or staff, and should be reviewed for continued application:

- BP 1.2 delegates authority to the President over personnel, education and business matters. FCMAT finds that board members directly interfere with the President's authority in violation of this policy.
- BP 1.2 is further violated by the language of the employment contract with the Deputy Superintendent/Executive Vice President, Administrative Affairs. That contract shows that the assignment of work and decisions on retention of the individual is done by the board instead of by the President, in violation of BP 1.2.

Some policies are either illegal or are bad public policy. Examples are:

- BP 1.2 - "Duties" of board members include participating in the process for selection of "vice presidents and all line management/administrative positions that report directly to the President." The selection of such positions is an administrative duty, not a board policy matter.
- BP 1.10 provides for nine standing committees of the board, with each board member serving as the chair of at least one committee. Such a high number of committees makes it very difficult for board members, staff and the public to be informed and involved in college life and policy issues.
- BP 1.20 is vague and does not state the position of the board on giving health and other benefits to Board Staff Assistants. Further, the statement that the board "is asked to amend the Board Action dated January 25, 2000 - 'Medical and Dental Benefits for Board Staff Assistants' to include the spouses of all Board Staff Assistants" would result in a very expensive program that is not provided in other California community college districts. (The Governing Board has acted to add both Board Staff Assistants and their spouses to the district's health plan.)
- BP 1.21 states that the Board of Trustees shall make known immediate family relationships before a hiring decision is made. This policy appears to endorse the hiring of board members' immediate family members, which is not good public policy.
- BP 1.22 says that board members shall be allowed to use district vehicles for recruitment and promotion. This policy either should be rescinded or clarify that cars are for periodic use for a specific purpose and on a specific date.

- BP 2.2 is the management evaluation policy that specifies a myriad of characteristics and qualities to be evaluated without mentioning ability to perform the essential job duties as noted in the position description.
- BP 2.3 requires the President to get the written approval of each cabinet member prior to submitting any contract for board approval. This process interferes with effective management and undermines the leadership of the CEO/president. BP 2.3 conflicts with BP 1.2.
- BP 2.4 provides a process for hiring a person who does not meet minimum qualifications for the position. Under this policy, a job candidate who fails to meet the minimums can nonetheless be judged qualified for the position. Minimum qualifications are a necessary requirement in hiring qualified candidates for the work of the college.
- The statement on Institutional Standing Committees is not numbered. The statement provides for 20 standing committees, yet BP 1.10 says there are no such committees. It is questionable whether many of these committees actually meet, publish an agenda if required by the Open Meetings Act, or keep records.
- BP 3.4 provides a method for employees who accrue vacation over the maximum accrual amount to be paid for the excess accrual. The stated maximum accrual is 352 hours. In certain cases the employee is compensated for the excess accrual at the conclusion of the fiscal year. Further, the policy says that the President can approve exceptions to the maximum accrual and use policy. This policy could put vacation accruals for all employees at risk of being considered income for purposes of paying federal and state income taxes. Paying for excess accrual and permitting exceptions to the policy should be deleted from the policy statement.
- BP 6.10 specifies the amount of various fees. The parking fee of \$12 for a full-time student per semester is very low compared to other colleges and does not meet the need in this restricted account for parking lot maintenance and security. Students receiving a Board of Governors fee waiver (BOGW) pay a maximum fee regardless of the higher fee set by board policy.
- BP 8.9 states that the use of facilities by non-profit organizations shall be “at no charge,” while state law says that the Governing Board may charge an amount not to exceed its direct costs or not to exceed fair rental value of the college facilities and grounds. All fees should be evaluated to provide funds needed for building maintenance and operations and to comply with the law.
- BP 8.18 sets the subsistence rate for the daily per diem for meals for board members, President and vice presidents at \$100, and at \$60 for other employees. This is a comparatively high amount to reimburse board members and employees for meal costs.

## Recommendations

*The Special Trustee should:*

1. Thoroughly review all policies in the Policy Manual of the Board of Trustees and revise or eliminate those policies that are deficient in terms of their appropriateness and/or legality.
2. Once the review is complete, take steps to ensure that all policies in the manual are being appropriately followed.

## Board Member Assistants

### Findings

Each member of the Governing Board is assigned one or more staff assistants. Each Staff Assistant is paid at an hourly rate and is a district employee. In addition, each Staff Assistant is given the same health and welfare benefits as other full-time regular employees. Each person receives a district-paid benefit of \$6,500 per year for the employee plus dependents.

FCMAT does not know of any other California community college district that employs staff to work directly for individual Governing Board members. Compton Community College District is a comparatively small district, with only one college. These positions divert funds from instructional and student support needs and may contribute to board over-involvement in the district. Particularly in light of the district's poor financial condition, there is insufficient justification to continue these positions.

### Recommendations

*The Special Trustee should:*

1. Discontinue the employment of staff assistants to the board members.
2. Rescind Board Policy 1.20 concerning health and welfare benefits for staff assistants to board members.

## President's Office

### Findings

Governing Board Policy 1.2 states:

“The Board delegates to the President/Superintendent authority over all personnel, educational, and business matters pertaining to the operation of the district. All actions by the President/Superintendent are subject to review by the Board (#1). ...The Board shall employ a full-time Superintendent to serve as chief ad-

ministrative and executive officer of the Compton Community College District (#25).”

It is customary for any public or private institution to establish the duties and authorities of the Chief Executive Officer of the institution. The Chief Executive Officer/Superintendent of a public educational institution in California is responsible for implementing the institution’s strategic goals and objectives, guiding its administrators and staff in achieving its stated mission, and assisting the board in fulfilling its governance role.

As with community colleges and organizations in general, the Compton Community College District needs to support a strong Chief Executive Officer function. The current district organization and the nature of board member involvement greatly diminish the authority and effectiveness of the Office of President/Chief Executive Officer. This also violates Governing Board Policy 1.2.

The organization and behavior of the district appears to violate Accreditation Standards established by the Western Association of Schools and Colleges and used by the Accrediting Commission for Community and Junior Colleges. FCMAT has read the March 1999 Evaluation Report concerning the district’s application for reaffirmation of accreditation. Based on the May and June 2004 interviews and observations conducted by FCMAT and the March 1999 report, accreditation standards that FCMAT suggests for examination by the commission are:

- Standard 1.1 on the planning process
- Standard 1.3 on program review
- Standard 2.1 on using a five-year strategic plan for implementation of the Educational Master Plan
- Standard 7.1 on hiring a permanent Assistant Superintendent for Business Affairs
- Standard 7.3 on the role of the Budget Advisory Committee
- Standard 7.4 on board approval on applications for project funding
- Standard 8.1 on making the organizational structure more cost effective and efficient
- Standard 8.3 on conducting a review of the board’s role in administration of the district
- Standard 9 on financial resources. The financial resources of the district have substantially diminished since the last accreditation visit.
- Standard 10 on governance. The effectiveness of the board has substantially lessened since the last accreditation visit.

Below are specific findings of FCMAT relating to the role and authority of the Office of the President:

- Board over-involvement pervades most aspects of college administration and nearly all college instructional and support programs.
- Board participation in the selection of line managers interferes with the effectiveness of the President and the entire line of authority.
- The language of the employment contract of the Deputy Superintendent/Executive Vice President, Academic Affairs directly negates the authority of the President to effectively manage the college, creates confusion among employees in accepting work direction and harms the instructional and operational effectiveness of the entire college.
- The array of management level positions that report to more than one supervisor or directly to the President creates confusion in accepting work direction and harms the instructional and operational effectiveness of the college.
- The low level of training, knowledge and work experience required for some management positions reporting to the President results in lack of respect for the Office of the President and less than satisfactory performance by subordinate staff.

Current staffing levels in the President's Office are too high. The number, title and qualifications of President's Office staff should be comparable to other institutions and be based on need. Appendix A is the current organizational chart for the Office of the President. There is no apparent reason for the number of positions that are titled "assistant to the president." Further, the number of employees who directly report to the President is unwieldy, and some positions report to more than one supervisor. Each position should have only one immediate supervisorial relationship. The title of assistant to the president needs to be limited to one position only, and the qualifications for each position in the office need to be examined to ensure they align with job expectations.

All staff need to work under clear supervision for work assignments and evaluation. All staff in the Office of the President need to understand and support the vision established by the President/Chief Executive Officer. The current organization and staffing for the Office of President does not promote institutional effectiveness or the defined role of the President.

## **Recommendations**

*The Special Trustee should:*

1. Ask the Accrediting Commission to visit the district to specifically examine the 10 issues noted above and other areas where improvements are needed.

2. Monitor Governing Board members' activities to ensure adherence to their statutory role.
3. Rescind board policy on board member participation in selection of line administrators or any other staff. This policy is contrary to statutory limitations on board participation in the hiring process.
4. Consider canceling the employment contract of the Deputy Superintendent and eliminating the position.
5. Adopt a new Organization and Staffing Chart for the district. Appendix A is the current Organization and Staffing chart. Appendix B is the recommended Organization and Staffing chart. The recommended action is expected to improve the governance role of the Governing Board, strengthen the role of President, improve management of district instruction and operational matters and save considerable ongoing costs.
6. Direct the appropriate staff to immediately prepare job descriptions and minimum qualifications pertinent to each management position.

## District Budget Current Fiscal Status

### Findings

The financial stability of Compton Community College District was jeopardized after the 2001-2002 fiscal year ended with an audited operational deficit of [-\$1,416,117] (see Appendix C, Recap of Revenues and Expenditures). As seen in this appendix, a major contributor to the deficit in 2001-02 was a sharp increase in the total expenditures of the college. Although total revenues increased by 28.38 percent as compared to the base year of 1999-00, expenditures rose at a higher rate of 33.11 percent. One particularly large expenditure increase was in classified salaries, which reached a proportion to the academic salaries of 89 percent. This a very high percentage compared to similar colleges (see Appendix D, Fiscal Data 2002-03) and compared to the increases in contracted services of 50.96 percent from the base year. The reduction of the ending balance in 2002-03 compared to the base year of 1999-00 was 78.43 percent (\$1,383,247).

A mid-year reduction was imposed on all California public community colleges in December 2002 for fiscal year 2002-03, in addition to the reductions imposed for the 2003-04 budget year.

The college started addressing its fiscal crisis after it was notified of its “Fiscal Watch - Priority One” status by the Chancellor’s Office. Thus it was in need of intensive monitoring of the operational and financial condition of the college, according to the guidelines issued by the Chancellor’s Office.

Yearly budget audits are not performed in a timely manner, and audit findings from prior years are not reviewed to assure that appropriate compliance has been finalized. The current audit firm has been with the district for 17 years and produces the annual audit reports. The inability of the college to secure a final audit for 2002-03 in a timely manner increased the confusion and lack of credibility regarding its finances. As an outcome of meetings with external auditors, staff members, and the Special Trustee, a tremendous effort was placed on securing a final ending balance for 2002-03.

Audit adjustments are not entered into the district’s accounting system, and are inconsistently entered into an account entitled Prior Year Adjustments. This account may or may not be balanced to the audit or to the records of the district, and may or may not be carried over from year to year. For example, when accounts receivable from a prior year cannot be balanced at year end, the balance is “booked” to “prior year adjustments.”

The final CCFS311 annual report for the 2002-03 actuals and the 2003-04 budget year sent to the Chancellor in December 2003 did not incorporate the audit adjustments for 2001-02; thus, the ending balance was inaccurate. When the district originally filed its CCFS311, it

had a negative combined fund balance of -\$168,080. When the CCFS311 was recalculated and refiled, the combined fund balance was a positive \$299,726. In addition, it became evident through the review of accounts receivable, accounts payable, and deferred revenue of special projects that the college has not kept an accurate audit trail of expenses and revenues for special projects.

Special project monitoring has been relegated completely to the program managers, who in most instances are not aware of their budget, compliance requirements, or the need for timely reporting in order to preserve the district's cash flow. In many instances, well after the fiscal year is closed, expense reallocation is done to justify the expenses in the categorical programs. The financial reports are prepared by the program administrators without final revision from the business office. The college should designate a position to work with all special projects.

The external auditor has delivered the final audit adjustments for fiscal year 2002-03. These were balanced and entered into the PeopleSoft records for Compton CCD. The auditor failed to adjust numerous accounts receivables that were set up twice during the close of fiscal year 2002-03. These adjustments will have to be made before the fiscal year 2003-04 can be finalized. The Los Angeles County Office of Education extended the deadline for Compton CCD to August 21, 2004 to close the financial records for the 2003-04 fiscal year. FCMAT has worked with the district staff and have closed the books for that year.

FCMAT determined the final 2002-03 fund balances with the external auditors by going over each grant/categorical program one-by-one. Grant letters were not always available. Reports sent in by the program staff did not always match the records in the Compton CCD business office, and many adjustments had to be made. FCMAT determined that it would utilize the auditor's adjustments and ending fund balances. The FY 2002-03 CCFS311 was recalculated and submitted to the Chancellor's Office on September 9, 2004, resulting in the the positive \$299,726 combined ending fund balance. The CCFS311Q's for the third and fourth quarter were not completed by the district. FCMAT began work on those documents about September 9, 2004.

It will be necessary for the new audit firm that is hired by Compton CCD to audit the 2003-04 budget closing. The closing was completed in a very short time period. Compton CCD staff members were not capable of providing needed assistance, nor capable of making creditable entries necessary for fiscal year closing. Numerous balance sheet accounts had been carried over from year to year and had never been closed out or balanced. These accounts were closed out to the fund balance after attempts to verify their appropriateness.

A significant number of errors were found that were attributable to the changeover from the LACOE's old financial system to its current one because account numbers were changed at LACOE but not at Compton Community College District.

The ending balances for Fiscal Year 2003-04 are as follows:

<b>General Fund Unrestricted (01.0)</b>	<b>\$213,041</b>
<b>General Fund Restricted (01.0)</b>	<b>224,454</b>
<b>Child Development Fund (33.0)</b>	<b>(111,055)</b>
<b>Capital Projects Fund (41.0)</b>	<b>1,383,771</b>
<b>Bond Revenue Construction Fund (42.0)</b>	<b>27,087,970</b>
<b>Self Insurance Fund (61.0)</b>	<b>242,005</b>
<b>Student Financial Aid (74.0)</b>	<b>(126,456)</b>
<b>Student Scholarship/Trust (75.0)</b>	<b>28</b>
<b>Payroll Clearance Fund (76.0)</b>	<b>(15,915)</b>
<b>Investment Trust Fund (76.1)</b>	<b>21,004 (students)</b>

There were insufficient reserves in all funds at the end of the 2003-04 fiscal year. The Chancellor’s Office recommends a minimum 3 percent reserve, and suggests a 5 percent reserve for the general fund.

The cash balances for Compton Community College District at the end of fiscal year 2003-04 would have shown a total balance for all funds, with the exception of the bond fund, of only \$1.3 million. Of this amount, the general fund had a balance of only \$626,100, and this balance was achieved only because a freeze on payments to vendors was put into effect in June to ensure that payrolls would be met.

**2004-05 Fiscal Year**

To meet payrolls for July, the district adopted a resolution, Temporary Transfer of Funds. These funds came from the Los Angeles County Treasury and will be repaid automatically when property taxes are received in December. This loan will enable the district to borrow funds to meet payroll and other necessary obligations until the normal apportionments from the state are deposited to Compton CCD.

The table below (see next page) is a comparison between the 2003-04 unaudited actuals and the 2004-05 adoption budget:

Description	2003-04 Unrestricted	2003-04 Restricted	2003-04 Combined		2004-05 Unrestricted	2004-05 Restricted	2004-05 Combined
<b>Revenues</b>							
Federal	385	2,841,168	2,841,553		0	1,724,838	1,724,838
State	16,487,885	3,815,480	20,303,365		18,676,159	4,215,841	22,892,000
Local	9,816,069	400,891	10,216,960		8,237,661	62,505	8,300,166
<b>Total Revenues</b>	26,304,339	7,057,539	33,361,878		26,913,820	6,003,184	32,917,004
<b>Expenditures</b>							
Academic Salaries	10,126,156	1,474,563	11,345,712		10,750,807	970,312	11,721,119
Classified Salaries	6,256,191	2,737,002	8,993,193		6,221,389	2,173,649	8,395,038
Employee Benefits	4,195,902	844,960	5,040,862		4,695,857	610,161	5,306,018
Books and Supplies	563,328	415,403	978,731		563,328	154,216	717,544
Services, Other Operating Expenses	3,247,824	799,170	4,302,001		3,959,765	1,021,863	4,981,628
Capital Outlay	98,258	466,173	564,431		144,337	498,887	643,224
Other Outgo	1,013,436	871,279	1,884,715		582,627	722,096	1,304,723
Indirect/Direct							
<b>Total Expenditures</b>	25,501,095	7,608,550	33,109,645		26,918,110	6,151,184	33,069,294
<b>Excess/ (Deficiency)</b>	803,244	(551,011)	252,233		(4,290)	(148,000)	(152,290)
<i>Other Financing Sources</i>							
<i>Transfers In</i>	0					148,000	148,000
<i>Transfers Out</i>	0						
<i>Sources</i>	0	644,934	644,934				
<i>Uses</i>	0						
<i>Contributions to Restricted</i>	0						
<b>Net Increase/ Decrease</b>	803,244	93,923	897,167		(4,290)	0	(4,290)
<b>Fund Balance</b>							
Beg. Balance as of July 1	(165,641)	465,367	299,726		213,041	224,454	437,495
Audit Adjust.	(424,562)	(333,836)	(759,398)				
<b>Restatements</b>							
Ending Bal. as of June 30	213,041	224,454	437,495		208,751	224,454	433,205

In fiscal year 2002-03, the district did not meet the requirements of the "50 percent law" (Education Code Section 84362). This law states that, "There shall be expended during each fiscal year for payment of salaries of classroom instructors by a community college district, 50 percent of the district's current expense of education." Compton CCD spent 47.32 percent (\$10,365,709) on instructional salary costs in 2002-03. This was \$586,264 under the amount required by law. The district failed to file all the required paperwork and did not hold a public hearing within the required time period, so it was not granted an exemption from the law.

In fiscal year 2003-04, Compton CCD will be \$1,016,931 under its required expenditure, at 45.44 percent. The district has filed the paperwork for an exemption and has set a date to hold the necessary public hearing.

Many of the Business Office staff have been with the district for over 20 years. However, many staff members lack the leadership and the knowledge to handle even the day-to-day functions of a district accounting office.

The district maintains a book of "pencil adjustments" made between the close of the books by the Los Angeles County Office of Education (LACOE) and the issuance of the CCFS311. Some of these pencil adjustments were entered into the district's accounting records, but most were not. The LACOE specifically prohibits pencil adjustments.

## Recommendations

*The Special Trustee/Business Office should:*

1. Ensure that the district follows Generally Accepted Accounting Principles. The LACOE provides excellent training, such as a session on closing the fiscal year. Compton CCD business staff should utilize any assistance/training the county offers.
2. Provide the business staff with extensive accounting training and solid leadership. Managerial leadership with knowledge of fund/governmental accounting is essential.
3. Immediately hire a new audit firm for fiscal year 2003-04. Engage the district in an actuarial study related to the unfunded liabilities and begin the process of a thorough audit of the bond fund as required in the State Constitution pursuant to Proposition 39.
4. Ensure that the President addresses and documents the resolution of audit findings as soon as the audit has been issued. Require staff to track follow-ups for all findings.
5. Issue a public report describing specific actions taken by the district to correct any negative audit findings.

## Budget Development

### Findings

#### Budget Committee

Budget development has been done primarily by the Interim Executive Vice-President, Business and Administration, and the various departments are excluded from the process. In fact, there was no input from district staff members until a budget crisis occurred. There does not appear to be a formal budget development calendar. A budget committee exists, and a memorandum to the Board of Trustees from the Compton CCD President on December 9, 2003, page 7, response 9, indicates that it meets at least quarterly.

#### Budget Reduction Committee

In addition to the regular budget committee, a Budget Reduction Committee was established at the beginning of 2003-04. The committee presented general and specific recommendations to the President for presentation to the Board of Trustees on November 24, 2003. The recommendation was to keep the Budget Reduction Committee active for the remainder of 2003-04.

The final recommendation was a reduction of expenditures of \$3.5 million for fiscal year 2003-04, which included a hiring freeze, furloughs, reduction of contracted education, layoff of classified employees, and salary reductions for different bargaining units.

### Recommendations

*The Special Trustee should:*

1. Require the creation and use of a calendar for Budget Development input, with all departments and divisions given the ability to develop their individual budgets. In this way, there will be buy-in and acceptance of responsibility for one's budget.

## Fund and Program Accounting

### Findings

The college has two funds established with the Los Angeles County Office of Education for the management of the general fund, the unrestricted fund (01.0), and the restricted fund (01.1). The numbering was determined by the conversion of the system from PBA to PeopleSoft software for fiscal year 2003-04. The other funds also were converted to the new nomenclature (from 19-digit to 32-digit account numbers). Unfortunately, the conversion was not well planned, nor did it provide adequate direction to the employee at Compton CCD who was in charge of the conversion. The district missed the opportunity to implement a more flexible account number for inquiries and reporting. The conversion was made using the same nomenclature as in the prior PBA system. There were two complete

fields not used that are available in the PeopleSoft program. These fields, if used appropriately, provide easier and faster access to accounting information.

In addition, the college uses the “activity” code to designate program and activity codes as defined by the Budget and Accounting Manual. Because of the dual use of the activity code, the complete chart of accounting has to be reviewed and the program or budgetary unit created, where appropriate. This is necessary in order to identify the accounts accurately. Another problem with the conversion is that the LACOE serves primarily K-12 districts and the object codes are for their reporting purposes. The community colleges were given the opportunity to change their object codes, according to the LACOE manual.

It will be necessary for Compton CCD to evaluate, design and provide appropriate account codes and to complete the conversion of the account numbers. The activity code must be used to identify whether each program is unrestricted or restricted, such as in a Title III grant.

There is poor coordination between the Business Office and the directors/coordinators of the programs/projects in the district. Program directors brought in to assist FCMAT with closing fiscal year 2002-03 consistently stated that the reports/requests for funding that they submitted to outside sources were not based upon district records/books, as the district books were not accurate or up-to-date. Many of the reports were signed by Business Office staff, but there was no auditing of the reports to ensure that they were accurate and matched the district’s books. Accounts receivable, deferred revenue and current liabilities set up at year end for these programs/projects are inaccurate, as they are based upon data not substantiated by district records.

Budgets are set up for categorical/restricted programs/projects without appropriate funding documents or Governing Board approval of contracts.

Funds were not drawn from federal agencies in a timely manner, resulting in negative cash flows in many programs. In some instances, funds could have been left with the federal government permanently, as the time to draw them down had elapsed and special procedures had to be reinstated to allow capture of those funds.

## **Recommendations**

*The Special Trustee should:*

1. Establish accounting procedures for projects and grants from the application through the reporting and funding processes. Ensure that all applications for grants are approved by the Business Office prior to submission to ensure that the grant is fiscally acceptable. Obtain board approval prior to establishing the grant in the appropriate budget chart fields.

2. Require the Business Office to keep a file on each grant/program that includes the funding document and reporting, funding and approving procedures.
3. Ensure that the Business Office staff audits every request for funds and every report with fiscal data for accuracy and agreement with Business Office financial records. The report must be signed by the CBO prior to submission.

## **Multiyear Budget Forecasting Findings**

Currently, there is no multiyear budget forecasting being conducted at Compton Community College District. The Business Office prepares the budgets for each department in Excel. The budget book that is prepared and distributed shows the adopted budgets for departments and programs. There is no presentation of the entire budget by object code other than the CCFS311 annual report to the Chancellor's Office.

Although the administration has necessarily focused on this year's operational deficit, the development of a multiyear projection would offer the district direction as an institution for short- and long-range planning.

## **Recommendations**

*The Special Trustee/Business Office should:*

1. Institute a system of budget forecasting, with at least a five-year projected plan for revenue and expenditure based upon the best estimates available. Update the plan at least twice a year.

## **Year-End Closing Calendar and Procedures**

### **Findings**

The district has no year-end closing calendar or closing procedures for the staff in the Business Office to follow. In previous years, the college has depended on the Interim Executive Vice-President, Business and Administration, for the year-end closing. The different operational units such as accounts payable, payroll, associated student body, special projects, accountant technicians and budget technicians are only aware of their portion of the entire closing process. The LACOE provides the college with a manual and a workshop on the procedures to follow for closing the fiscal year. Several employees attended this workshop on June 7, 2004. This is the first closing for the college utilizing PeopleSoft, and the LACOE is aware of the challenges for staff at Compton College. During the first week of July a trainer was sent to work with the employees. Unfortunately, not all key employees were in attendance, and no one has assumed responsibility for coordinating the year-end process.

A final budget was due for adoption by the board on or before September 15, 2004. A tentative budget for 2004-05 has been adopted.

## **Recommendations**

*The Special Trustee/Business Office should:*

1. Ensure that the Compton Community College District establishes its own year-end calendar based upon LACOE's calendar. Complete the closing activities on time.
2. Ensure that Business Office staff members attend the seminars and assistance provided through the county office. Each functional area and each staff member should be fully aware of the deadlines and the activities to be performed.
3. Distribute a calendar to all district staff outlining dates for closing purchase orders, requisitions, and payroll deadlines.

## **Monthly Budget Reports for Staff, President and Board Findings**

Currently, there are no monthly reports for staff showing the budget, expenditures, encumbrances, remaining balances, and revenues for categoricals.

These reports should be available upon request for any staff member. They should also be available online each month for all departments, the President, and the Cabinet. The reports for all funds should go to the board on at least a quarterly basis, or monthly, if requested.

Currently, only one staff member is familiar with obtaining reports from LACOE. The new software is very versatile, and given the proper parameters, all the reports needed should be obtainable. Several staff members should be properly trained and involved in the procedures and practices of the PeopleSoft accounting system.

## **Recommendations**

*The Special Trustee/Business Office should:*

1. Make monthly financial reports available to all staff members, and ensure that the reports are placed online.
2. Ensure that staff members are familiar with the procedures and practices necessary to effectively use the PeopleSoft accounting system.

## Financial Linkages

### Findings

Currently, Compton Community College District is not using the LACOE software for purchasing or accounts payable. Therefore, no encumbrances appear in the LACOE system.

The college has experienced two software conversions in the last three years. Its original in-house software was different from LACOE's. However, Compton CCD did use the LACOE software for financial operations. In the 2002-03 fiscal year, the college purchased new software to replace both its existing system and the LACOE software, and implemented online requisitions and encumbrances of purchase orders through its new software in the 2002-03 fiscal year. This was interrupted in 2003-04 after the conversion to LACOE's software for the financial information, leaving no live linkage between the budget and the generation of encumbrances. Compton CCD's software is used by the purchasing department only to generate purchase orders. It does not verify the budget or encumber the funds after the issuance of purchase orders.

The college converted to LACOE's new software in 2003-04. This is the base for all fiscal operations. Because Compton CCD's new software had been bought for the purchasing module, it did not acquire the LACOE software purchasing module. There is no linkage at all between accounts payable, purchasing and budget at this time for line budget processing and verification. Only manual verification is done, which involves checking the county books for availability of funds before issuing a purchase order. At the same time, accounts do not reflect any encumbrances, which could lead to severe budget overruns.

Payroll is run through the LACOE, but it is not processed in LACOE's software. A data bridge was created by the county to update the payroll information. Position control is nonexistent and there are no encumbrances in the system for salaries.

All financial operations should be run in the same software. Compton CCD has a stand-alone system with no support for immediate changes or upgrades. On the other hand, the software LACOE uses exists in over 100 districts, including all community colleges in Los Angeles County. Its cost is minimal because it is paid for by all of the districts. It offers a purchasing module.

Any system that Compton CCD uses must interface with LACOE's software. If the district were to purchase an Accounts Payable and Purchasing module, it would be able to generate POs, encumber, disencumber and link with the general ledger module that is currently utilized. Training staff to use this one system would be more efficient than training staff to use Compton CCD's software and interfacing to LACOE's software. Training and support are offered by the LACOE.

LACOE does not own its software's student module. Therefore, Compton CCD will have to continue the student system with its current software or another software package and perform the appropriate interfaces into the financial and general ledger modules. This is not an easy task to undertake.

Compton CCD uses the LACOE's software only in the processing of financial information. It does not address the student information system. Compton CCD's software has been tested for student, attendance, and financial aid needs. It has not been implemented as a live system.

## **Recommendations**

*The Special Trustee/Business Office should:*

1. Align Compton CCD's purchasing module to the LACOE'S as soon as possible, in order to allow for a live and accurate check and balance system.
2. Oversee an assessment of the district's financial system needs and the systems currently in place, with the goal of selecting the best hardware and software available to perform essential financial functions.



## Human Resources/Personnel Commission

### Findings

#### Personnel Commission Role

The Compton Community College District Human Resources Department is split, performing work for board-administered functions and those under the purview of the Personnel Commission. Compton CCD is a merit system community college district. Essentially, it utilizes a civil service form of personnel management for all positions within the Classified Service. The Personnel Commission is an independent body, separate and distinct from the Governing Board, and its legal existence and authority stems from pertinent provisions of the Education Code. The Personnel Commission is responsible for the recruitment and selection process for all classified employees, the disciplinary appeal process, the classification and compensation internal alignment, and the rules and regulations of the Classified Service. The Personnel Commission serves both a legislative role (the development of rules and regulations) and a judicial role (appeal body for violations of the rules and disciplinary actions).

Essentially, all Human Resources duties related to academic employees are managed by the district's Human Resources Office, while the vast majority of Human Resources functions related to classified employees are managed by the Personnel Commission Office. Both offices are headed by individual administrators. The district HR office is led by an Executive Dean of Human Resources and the Personnel Commission Office is led by the Executive Director of the Personnel Commission.

At a board meeting earlier this year, the Governing Board stated its intent to take many of the district-related classified HR functions away from the Personnel Commission to be administered by the district's Human Resources Department.

Most non-merit community colleges the size of Compton would not have two separate HR functions. However, as a merit system, that separation of roles is not unusual. The relationship between the Personnel Commission and the district has been strained during the last few years. The Personnel Commission staff has pointed out numerous violations of the Education Code and district rules and regulations to both the district Human Resources Department and the Superintendent/President. The district administration has generally disregarded the Personnel Commission's numerous written concerns about these violations.

#### Hiring Practices

The hiring practices of the district as they relate to management, academic and classified employees have serious deficiencies. Examples include:

- Out-of-date classification specifications at all levels of the organization and for all types of employees.
- Minimum qualifications that are inadequate for the level of positions being recruited, for all types of employees.
- Equivalency language for all types of positions in the district that allows substitutions for education and/or experience that is too vague and non-descriptive, leading to positions being filled by employees that lack sufficient knowledge, skills and abilities to adequately perform their jobs.
- Inadequate job-related employment testing during the recruitment and selection processes that allow unqualified or under-qualified applicants to be awarded positions for all types and levels of jobs in the district.
- A disregard for long-established and well-recognized EEOC employment and selection regulations, including such basics as selection techniques, validity reviews and adverse impact analysis.
- Inadequate safeguards for criminal background checks. There is evidence of employees with known criminal convictions still working for the district.

The anti-nepotism policy of the district is inadequate. Relatives of administrators are hired by the district, and even relatives of board members are hired as consultants. In addition, recent former board members are also hired as contractors and consultants.

Spot audits of immigration and right-to-work forms (I-9) showed inconsistencies in application and document verification.

Spot audits of transcripts in personnel files showed inconsistencies in ensuring that employees filed certified transcripts of degrees and course work. In addition, in at least one case, an employee was found to have falsified academic degrees on his application, and the district administration took no corrective action.

The deficiencies in the hiring process stem from an inappropriate level of interference on the part of board members, a lack of experience and knowledge among administrators in charge of the process, and a lack of training for the staff expected to handle the day-to-day hiring, recruitment and selection processes.

## **Recommendations**

*The Special Trustee/Human Resources/Personnel Commission should:*

1. Reorganize the Human Resources department and Personnel Commission to make the role of the commission consistent with state law and to provide the expertise necessary to manage these functions.

2. Arrange for appropriate training for Personnel Commission and Human Resources Office staff on the tasks they perform.
3. Update the district's Diversity Plan to reflect recent court decisions and implement a serious effort to diversify the work force at all levels of the organization so that the college's employees appropriately reflect the communities they serve.
4. Authorize a thorough classification study at all levels to correct structural deficiencies in job specifications, classifications, and compensation levels. Appropriately align minimum qualifications such as knowledge, skills and abilities with the duties and functions expected of academic, classified and management positions.
5. Update and strengthen policies and procedures to prevent inappropriate interference of individual board members in the hiring and selection process. Provide training for the board on its appropriate role in the hiring process for district employees, which is generally limited to the approval of staff recommendations. The obvious exception is the hiring of the district's chief executive officer (the Superintendent/President), in which the board plays a vital and active role.
6. Strengthen the district's nepotism policies to ensure that relatives and others who have a personal relationship with administrators and board members are not hired inappropriately.

## **Position Control Findings**

Position control is both a human resources and a finance process in which the numbers and kinds of positions in the district are tracked and authorized from both a budget and a recruitment perspective. A well managed Position Control system ensures that every position is known to the district administration and has been properly budgeted, and there is a strict and clear process for creating new positions and filling vacant positions. A reliable position control system prevents overstaffing and under-budgeting. The most important element in projecting and budgeting for expenditures is accurately projecting employee salaries and benefits, which account for more than 85 percent of the district's 2003-04 general fund budget.

The district does not appropriately utilize position control to fill classified positions. The closest thing to a check and balance system is the personnel requisition process used by the Personnel Commission Office. All classified positions to be filled require the signature of the appropriate administrator up through the Superintendent/President. Although this is not a classic position control system, it does provide a formalized approval process with

a paper trail. Unfortunately, past actions show that if the Personnel Commission refused to process a personnel requisition it felt violated the law or its rules and regulations, the district administration would simply bypass the commission in order to get the individual paid by the Business Office.

The filling of academic positions (faculty and administrators) has no controls. A number of sources indicated that a simple phone call was often sufficient to start recruitment for a position, without regard to budget, whether it was a new position or not.

A formal, written personnel requisitioning process must be created for all positions in the district, whether classified, academic, management or temporary. All authorized positions must have an identified budget line item(s) from which the position will be paid. There should be at least two formal checks to ensure that a position being sought is authorized and there are sufficient monies to pay for it. There does not appear to be any coordination between Human Resources and the Business Office concerning appropriate fund accounting and position budgeting for filled and vacant positions.

No new non-academic position should be approved by the Commission Office without evidence of the position's initial creation approved by the Governing Board, the appropriate line department, Vice President and Superintendent/President. Existing vacant positions would not need the approval of the board, but would require the approval of the appropriate line department, Vice President and Superintendent/President. In addition, the Personnel Commission should confirm that the general ledger accounts indicated on the personnel requisition are accurate and that the Business Office confirms there are sufficient monies in the accounts to pay for the position.

No new academic position should be approved by the Human Resources Office without evidence of the position's initial creation approved by the Governing Board, the appropriate line department, Vice President and Superintendent/President. Existing vacant positions would not need the approval of the board, but would require the approval of the appropriate line department, Vice President and Superintendent/President, and, if a faculty position, prior discussion with the Academic Senate concerning filling the position. In addition, the Human Resources Office should verify the accuracy of the general ledger accounts indicated on the personnel requisition and confirm through the Business Office that there are sufficient monies in the accounts to fund the position.

## **Recommendations**

*The Special Trustee should:*

1. Create a formalized position control system and require authorization for all new positions by the Governing Board.

2. Ensure that the Personnel Commission Office reviews all non-academic positions (regular, temporary or independent contractor) for authorization and approval.
3. Ensure that the Human Resources Office reviews all academic positions (faculty and management, either regular or temporary) for authorization and approval.
4. Direct the district's Business Office, Personnel Commission and Human Resources Office to work together to determine the appropriate level of funding to set aside for each district position and the accounts paying for each position. This should be an annual exercise and is critical in the development of an accurate budget for each fiscal year.

## **Board Member Roles**

### **Findings**

In the human resources functional area, individual board members have stepped outside their policy roles and have directly and indirectly involved themselves in the hiring process of employees, professional experts and independent contractors. Some examples follow:

- Management assignments and reassignments are confusing and appear to change at the discretion of the President. It is the impression of many employees and administrators that changes are made based on pressure exerted on the President or the Deputy Superintendent by board members and the faculty union.
- It appears that stipends are granted and position titles are changed as a means of rewarding employees who are responsive to suggestions made by board members.
- Operational or personnel management concerns of inappropriate involvement by board members have been consistently documented in writing by administrators to the President. As was reported to FCMAT during numerous interviews, there is a widely held belief that the President feels a level of intimidation from the board and this impacts his ability to provide the necessary leadership for the district.
- Employees and administrators report that individual board members have indicated to them that certain individuals need to be hired, often in violation of established rules, procedures and the law.
- In a number of instances, political allies, former board members, relatives and girlfriends of board members have been hired into positions paying thousands of dollars per month with no set duties, no expected results, and no work hours.
- Employees and administrators do not perceive the human resources function to be free of inappropriate interference and influence from board members.

## Recommendations

*The Special Trustee should:*

1. Provide existing board members and all new members with training on their appropriate policy role. Board members need to be trained to recognize that the Superintendent/President is the chief executive officer of the district and it is his/her job to carry out the policies of the board through the daily administrative functions of the district.
2. Strengthen policies to clarify that it is inappropriate for line administrators to be ordered to undertake actions at the direction of individual board members. Individual subordinate administrators of the Superintendent/President should not be directly contacting board members either individually or as a group to either gain advice or concurrence for administrative decisions. All legal policy direction should reflect a majority vote of the full board, and direction to the Superintendent/President for implementation.

## Staff Employment Status

### Findings

Personnel Commission rules and regulations and Education Code provisions appear to have been routinely disregarded despite notice that violations or irregularities existed and corrective actions conveyed. The commission and its Executive Director have specified several issues to the President, administrators and staff, but received no response. Violations include:

- Provisional employees who work more than 126 days within one fiscal year.
- Professional experts and hourly staff who work beyond their approved hours per week and have claimed and been paid overtime.
- Professional expert assignments that have exceeded six months.
- Professional expert assignments that were issued without a description of the project, duration of assignment or duties to be performed.
- Pay warrants that have been issued to provisional employees in positions that are not certified by the Executive Director of the Personnel Commission.
- Warrants that have been issued to provisional appointees without Personnel Commission certification and approval or Governing Board approval.
- Past professional experts and hourly employees serving as supervisors.

In reviewing recent board actions, it appears that the number of professional expert agreements has been reduced, but independent consultant agreements have risen. This may be in

response to the Personnel Commission's refusal to authorize the use of professional experts in violation of the rules, regulations and the law. However, as noted elsewhere in this report, the district's subsequent use of independent contractors was also often a violation of the law.

### **Employees vs. Independent Contractors**

A number of individuals are currently receiving W-2 forms as employees and 1099 forms as independent contractors at year end. This situation is a "red flag" for the Internal Revenue Service and could eventually result in a federal audit, with heavy fines for any irregularities. The IRS does not allow an employee to also work for the district as an independent contractor within the same calendar year.

There are 20 factors used by the IRS to determine employment status. For the following questions, a "yes" answer supports the conclusion that the worker is an employee:

1. Does the principal provide instructions to the worker about when, where, and how he or she is to perform the work?
2. Does the principal provide training to the worker?
3. Are the services provided by the worker integrated into the principal's business operations?
4. Must the services be rendered personally by the worker?
5. Does the principal hire, supervise and pay assistants to the worker?
6. Is there a continuing relationship between the principal and the worker?
7. Does the principal set the work hours and schedule?
8. Does the worker devote substantially full time to the business of the principal?
9. Is the work performed on the principal's premises?
10. Is the worker required to perform the services in an order or sequence set by the principal?
11. Is the worker required to submit oral or written reports to the principal?
12. Is the worker paid by the hour, week, or month?
13. Does the principal have the right to discharge the worker at will?
14. Can the worker terminate his or her relationship with the principal any time he or she wishes without incurring liability to the principal?
15. Does the principal pay the business or traveling expenses of the worker?

For the following questions, a "yes" supports the conclusion that the worker is an independent contractor:

16. Does the worker furnish significant tools, materials and equipment?
17. Does the worker have a significant investment in facilities?
18. Can the worker realize a profit or loss as a result of his or her services?
19. Does the worker provide services for more than one firm at a time?
20. Does the worker make his or her services available to the general public?

Review of the district's use of independent contractors showed that the use of independent contractors soared only after the Personnel Commission refused to authorize the indiscriminate use of "professional experts" in violation of the law. Under current district practices, independent contractors are not required to be approved by the Personnel Commission or its staff.

No review has been conducted by the district's Human Resources or the Business offices to determine whether the intended use of an independent contractor meets the tests established by the state and federal governments. Contracting with an independent contractor when state and federal laws say the individual is an employee carries serious penalties and liabilities.

The Personnel Commission was not allowed to review individual independent contractor agreements. The district's Human Resources office also often was bypassed. The Business Office was placed in charge of reviewing and approving independent contractors and then sending their contracts on to the board for final approval.

A review of hundreds of independent contractor agreements revealed that the vast majority did not meet the legal tests for independent contractors. In one instance, a memo was attached to the request for an independent contractor agreement indicating that the reason for the agreement was that the proposed contractor could not pass the Personnel Commission's tests for employment and the department wanted to bypass the process.

Most of the independent contractor agreements were for functions that were clearly within the classified service and ongoing in nature. In many cases, independent contractors were hired to do the work of employees who had been previously laid off.

Some independent contractor agreements were with relatives of administrators and members of the Governing Board, or with former board members, often for tens of thousands of dollars. There was no evidence of work product in the files for many of the contractors. Some administrators stated that relatives and girlfriends of board members were given contracts and never showed up to perform the functions, yet received checks. In several instances, independent contractors were themselves approving the hiring of more independent contractors.

With only a few exceptions, there was no paperwork in the files that showed that the invoices for time and work product required in the agreements contained the specific hours worked or the work product delivered.

## Recommendations

*The Special Trustee/Human Resources/Personnel Commission should:*

1. Request an audit to determine which individuals may be receiving both a W-2 and a 1099. Take action to eliminate any instances of individuals receiving both.
2. Require that the district adhere to personnel law, rules and regulations. Take appropriate actions with the Los Angeles County Office of Education and judicial bodies to enforce Personnel Commission orders and findings.
3. Provide training to the Governing Board and district administrators on the Personnel Commission's rules and regulations. Include specific training on the appropriate use of limited-term, provisional and professional expert employees.
4. Require recruitments to be conducted in a timely and appropriate manner to eliminate the inappropriate use of temporary employees.
5. Consider designating the Personnel Commission to oversee the hiring of independent contractors. Utilize the personnel requisition process to hire independent contractors, thus providing for a consistent and uniform approval process for all types of individuals.
6. Require all agreements to clearly state the purpose of the contract, specific duties to be performed, time lines for projects, and the funding source for the contract.
7. Ensure that all board items approving the use of independent contractors have sufficient specificity to ensure that the Governing Board has adequate knowledge of the purpose, use and legality of the proposed agreement.
8. Amend the Personnel Commission's rules and regulations to include the IRS-based 20-point test for the hiring of independent contractors and the federal Fair Labor Standards Act set of employee vs. contractor tests.
9. Strengthen the district's policies and rules and regulations to prohibit independent contractor agreements with relatives or others who have personal relationships with administrators and board members.

## Risk Management Functions

### Findings

There is no management-level, on-campus review or assessment of risk issues for health and safety matters, property liability, injury-illness prevention and workers compensation programs.

The Office of Human Resources Procedures Manual explains how to process property liability and workers compensation insurance claims. A full-time administrative assistant within the Human Resources office handles these functions and serves as the primary contact person for employees. Student injuries are handled through Account Services in the Business Office. However, the employee who processes those claims has not been adequately trained.

There is no coordination between the Human Resources Office and the Business Office regarding industrial illnesses and injuries. There have been many instances where paperwork authorizing an employee's return to work has not been received. The payroll staff does not know when an employee is on leave or returns from a leave.

The personnel analyst assigned to the district Human Resources Office to manage health benefits functions is performing technician-level work and does not have the analytic or management-level expertise to effectively support the program in a cost effective manner. There is no management involvement or external benefits consultant to assist with health benefits program compliance issues.

Claims reviews occurred quarterly when the district had a fully insured workers compensation program through Keenan and Associates. The district switched from a fully insured to a self-insured workers compensation program in September 2003 to reduce escalating costs. The existing vendor was dropped and Buckeye Claims Administrators was contracted. No competitive bidding process was conducted.

Conflicting information exists as to whether or not claims reviews have taken place since the program became self-insured. There is also conflicting information as to the volume of claims received. The district maintains "loss run information" from 1999 through April 2004 on a 1.44mb computer disk. However, there were substantial gaps in the documentation on that disk. Additional risk information was later provided by the district Human Resources Office, which included an abbreviated loss run detail from Buckeye Administrators as of April 5, 2004.

FCMAT found no documentation of safety training for employees. Also, no interviewed employees or administrators indicated that such training takes place. A lack of safety awareness was evident. For example, a grounds keeper was observed edging the lawns with

power equipment wearing no protective equipment despite flying debris and rocks. Students and staff were using the walkways, yet the grounds keeper continued with his tasks.

Although the district is self-insured for workers' compensation, the Human Resources Office and Business Office could provide no documentation to FCMAT that the district has set aside monies in a liability account for these claims. The Human Resources and Business offices stated they believed the district had self-funded unemployment insurance. However, no office could provide FCMAT with documentation of that self-funding status, nor was documentation of a self-funded unemployment insurance liability account provided in response to FCMAT's request.

The district provides lifetime health insurance benefits for employees at a cost to the district of up to \$6,000 per person, per year. No actuarial study has been conducted on the extent of the district's liability in its retiree health benefits program. In addition, no liability account has been established to fund the current and future expected costs of retiree health benefits.

The administrator in charge of this functional area appeared to know little about it. Relatively simple questions about actuarial assumptions could not be answered. Staff members assigned to manage the day-to-day functions only know how to process the paperwork.

This lack of appropriate oversight and knowledge has resulted in a very high workers' compensation rate of 2.75% of payroll. This is substantially higher than would normally be expected from a well managed program.

The Human Resources Office handles all risk management functions for the district, including risk functions that are typically assigned in most districts to the business functional area, such as property, fire and liability insurance.

Sexual harassment training was initiated for all staff in 2000. However, there was no documentation that new employees are provided this important training.

## **Recommendations**

*The Special Trustee/Human Resources/Personnel Commission should:*

1. Divide risk management functions between the Human Resources office and the Business Office. Human Resources should manage workers' compensation, unemployment insurance, health insurance accounts, and safety programs. The Business Office should manage the district's liability, property, casualty and fire insurance programs.

2. Ensure that the administrator in charge of Human Resources has more direct involvement in managing the risk functions assigned to that office. In addition, the administrator needs to receive training on the programs he/she oversees as soon as possible.
3. Establish liability accounts for the district's workers' compensation and unemployment insurance claims, with proper funding and tracking.
4. Provide appropriate training to staff assigned to work in the risk management area so that they may manage and limit the district's risk. Include training on working with the district's third-party administrators for the various risk programs.
5. Enter into a contract with a third-party administrator to help oversee the benefits program. This will help ensure that pertinent information and options are made available to all employees who are eligible for benefits.
6. Institute procedural changes to strengthen the link between the Human Resources staff and the Business Office concerning workers' compensation leaves and payroll issues.
7. Require appropriate Human Resources and Business Office staff to monitor trends and develop a plan of action to help prevent and significantly reduce liabilities in the various risk management programs.
8. Establish safety as a high district priority with a formal safety training program for all employees that is managed by the Human Resources office.
9. Implement a formalized and comprehensive records retention program for all reported risk incidents involving students, employees and the general public.
10. Establish workers' compensation and unemployment insurance liability funds to reflect appropriate expected charges for these benefits.
11. Oversee an immediate actuarial study of the district's retiree health program to ascertain the extent of its liability, and reflect that amount in its official assets and liability figures as required by Governmental Accounting Standards Board (GASB) rules. Establish a retiree health liability fund and deposit appropriate amounts into the fund as established by the actuarial study findings.

## Leave of Absence Programs and Overtime

### Findings

The district has not been managing its compensatory time off program. Compensatory time totals for classified employees continue to grow at an alarming rate, resulting in a substantial unfunded liability. In addition, the collective bargaining agreement with the Federation of Classified Employees indicates that compensatory time off must be paid to the employee if it is not used within 12 months from the month it is earned. The district is not fulfilling this requirement, resulting in a large unfunded liability and potential budget cost overrun.

Employees indicated that overtime is not being paid when earned. Business Office overtime time sheets from July 2003 forward still had not been processed. This means there is a large, unfunded liability waiting to be processed for the 2003-04 fiscal year.

Leaves of absence accounting records are not current. The Business Office is understaffed and the accounting technicians are at least two years behind in record keeping. Employees are allowed to use and be paid for sick leave and vacation accruals that are completely out of date. Therefore, it is highly likely that employees are using and being paid for sick and vacation days that are legitimately not available to them.

No office is monitoring the inappropriate utilization of various leave accounts. Employees stated that sick leave usage is high.

The collective bargaining agreement sets a maximum of up to two years of vacation accrual. However, the two-year maximum is not adhered to, resulting in an ever-growing liability. In addition, there appears to be no vacation liability accrual account, resulting in a large, unfunded, and off-the-books liability in violation of Governmental Accounting Standards Board (GASB) regulations.

### Recommendations

*The Special Trustee/Human Resources/Personnel Commission should:*

1. Ensure that the compensatory time off program is kept up-to-date in terms of the tracking of additions or subtractions from each eligible employee's account balance.
2. Ensure adherence to the collective bargaining agreement and that employees take their accumulated compensatory time off prior to the 12-month expiration, thus avoiding additional unfunded liabilities to the district.
3. Establish a compensatory time off liability account. Accumulated compensatory time off then must be paid to any employee who leaves the district's employment. An actuarially sound decision must be made as to the amount needed to fund this account.

4. Hire or divert the services of an existing accounting technician to bring the district's leave balances up-to-date. Make leave accounting a high priority, with the goal of updating an employee's leave balances no later than 10 days after the closing of the pay period.
5. Bring vacation accruals under control. Levels of vacation leave should never exceed the two-year accrual maximum.
6. Create a vacation liability account and calculate an accurate vacation liability figure. Calculate an actuarially sound level of funds to be placed in this liability account. One generally accepted method is to calculate the amount of vacation accrued by all employees during a 90-day period. Another method is to determine the normal average annual vacation payout rate during the last three to five years and place that amount into the fund as a minimum.
7. Require the Personnel Commission office for classified employees and the district Human Resources office for academic employees to monitor utilization of sick leave, bereavement and personal necessity leave, ensuring that these leaves are being used appropriately by employees. Initiate a sick leave reduction program, looking for unusual patterns of utilization and helping to counsel employees who appear to be using sick leave inappropriately. In the alternative, take effective disciplinary steps with those employees who are clearly abusing leave privileges.

## **Collective Bargaining and Personnel Manual Review Findings**

Faculty and classified employee collective bargaining agreements appear to be well written and are consistent. However, administrators are unfamiliar with the agreements' contents. Many procedures are outlined within the agreements but are not adhered to throughout all of the divisions of the college. Scheduled supervisory or management training sessions or forums would provide a venue to ensure compliance and reinforcement of the agreements' provisions. They would also assist in improving communication and constructive management of district employees.

Procedures outlined in the Human Resources Procedures Manual include health and welfare (benefits processing), pre-employment processing, property liability and workers compensation processing, first aid, leaves procedures for salary continuation, and employee commute reduction program. The information is dated.

There are no procedures outlined in the Human Resources Manual for addressing discrimination, harassment or sexual harassment complaints or violence in the workplace issues.

District personnel management must develop separate procedures to address these types of allegations and complaints. These procedures would require approval by the Governing Board prior to establishment and implementation. References within the grievance section of the collective bargaining agreements do indicate that “Grievances arising from alleged violations, misapplication, or misinterpretations of the Non-Discrimination Article ... shall not be subject to the grievance procedures of this Article. Such allegations shall be subject to the purview of the EEOC or such state and federal agencies as prescribed by law.”

## **Recommendations**

*The Special Trustee/Human Resources/Personnel Commission should:*

1. Establish training forums for supervisors and managers to ensure compliance with provisions of the collective bargaining agreements.
2. Develop procedures to address discrimination, harassment, and sexual harassment complaints and violence in the workplace issues. Obtain Governing Board approval before the procedures are implemented.

## **Staffing and Structure Issues**

### **Findings**

#### **District-Wide**

A review of the district’s organizational charts, position descriptions, and salary schedules revealed numerous problems. Organizational charts had various titles for the same position. This could be the result of previous reorganizations or title changes to generate stipends or additional compensation opportunities.

Position descriptions lacked detailed information regarding requisite duties, skills, knowledge, abilities and overall requirements. All positions need review. Job assignments and minimum qualifications have, in some instances, been altered so that specific individuals could be placed into positions. There have been instances where appointments were made though it was apparent that the selected candidate was not as qualified to do the job as better qualified but external candidates.

Existing classified salary schedules do not appear to be competitive nor do they appropriately match positions in the open market.

#### **Human Resources**

There is a general lack of professional human resources experience in both the district Human Resources Department and the Personnel Commission office. Although most staff are doing the best they can, they have little specialized education, training and experience in the field.

Both offices need to be staffed with experienced and knowledgeable human resources managers and professionals. With the vast majority of the district's budget devoted to personnel, the quality of staffing in the human resources function is critical.

In the district Human Resources Department, the Associate Vice President should be an experienced human resources manager, with extensive knowledge of recruitment, selection, diversity/equal employment opportunity programs, personnel-related risk management functions such as health benefits and workers' compensation, plus have experience working with unions and managing collective bargaining agreements. The two Personnel Analysts also need to be experienced in handling professional-level staff work, such as overseeing risk programs such as health benefits and workers' compensation. In the past, the district utilized the Personnel Analyst classification as a highly paid clerical support position rather than as a human resources professional.

One Personnel Analyst needs to be assigned to oversee the health benefits, workers' compensation, unemployment insurance and leave programs. Another analyst needs to be responsible for all faculty and academic management recruitments, including preparing necessary labor market analysis, working with the recruitment committees in the preparation, approval and distribution of brochures and advertisements, developing the recruitment plan, developing and approving the testing instruments utilized by the committee, and conducting the adverse impact analysis at each stage of the process. In addition, this position would oversee the approval, assigning, and granting of all faculty service areas for all academic positions in the district.

The Personnel Technician is at a paraprofessional level and assists the Associate Vice President and the analysts in their various duties.

The Administrative Assistant position serves as the primary administrative support for the Associate Vice President and the office, performing secretarial duties, tracking the budget, handling calendars, appointments, and taking minutes at various committee meetings.

### **Personnel Commission**

The Executive Director of the Personnel Commission should be an experienced human resources manager with extensive knowledge of recruitment, selection, diversity/equal employment opportunity programs, and have experience working with unions and managing collective bargaining agreements. As the position handles classified functions only, a properly trained and experienced human resources manager could oversee these functions without the services of a professional-level analyst. Besides developing and approving all classified recruitment and selection activities and performing normal human resources functions such as compensation and classification, the position also serves as the chief executive officer of the Personnel Commission.

The Personnel Technician is at a paraprofessional level and assists the Executive Director in his/her various duties. As stated above, this position performs below the level of an analyst.

The Administrative Assistant position fulfills similar functions as the same position in the Human Resources Department.

Staffing levels are proposed as follows for the district's Human Resources office and the Personnel Commission:

#### **District Human Resources Office**

Associate Vice President – Human Resources

Personnel Analyst (2) (one for HR risk functions, one for recruitments and faculty service area assessments)

Personnel Technician (1)

Administrative Assistant

#### **Personnel Commission Office**

Personnel Director

Personnel Technician

Administrative Assistant

### **Recommendations**

*The Special Trustee/Human Resources/Personnel Commission should:*

1. Continue to operate a Personnel Commission and a Human Resources office, as Compton CCD has a merit system. Ensure that the personnel in each office are well qualified and trained.
2. Review each job description in the district to ensure that qualifications are indicative of the nature and scope of the position and the duties and responsibilities expected for effective performance. Through a consultative process, eliminate unnecessary jobs or jobs that have been vacant for years.
3. Conduct a compensation study to ensure an alignment that brings equity among existing positions yet offers opportunities for advancement that encourage the retention of qualified employees.
4. Audit employee files to ensure that they are current and contain all of the relevant information that is required within an employee's official district personnel record.



## Police Department Findings

The district operates a police department with Peace Officer Standards and Training (POST) certified peace officers. However, the department itself is not POST certified.

The operating budget for the police department has been routinely reallocated by the Deputy Superintendent to other areas of the district. The result is a police department with no functioning vehicles. The police officers patrol on foot and have no way to pursue fleeing suspects other than on foot. This is particularly difficult when the suspects are themselves in vehicles, motorcycles or even bicycles. Officers use their own weapons, and there is no department policy on a consistent type or model of guns. The department has no non-lethal deterrents other than batons.

The Police Office presently resides in a trailer at the north parking lot of the campus. This location is isolated and relatively useless in terms of offering preventative security measures for the college campus.

Staff members reported that tickets issued by police officers were routinely “fixed” by the Deputy Superintendent. The Deputy Superintendent does not meet the qualifications to be designated as the Police Chief for Compton Community College. He is not POST certified, and his continued assignment in this position is inconsistent with the needs of the district.

Maintaining an operation that is scheduled for 24 hours per day, seven days a week presents unique problems that are not effectively addressed in the existing structure of the department. Officers routinely work extended hours because replacements are not available when their shifts end.

In the past, the district often kept police officers as limited-term or provisional employees in violation of the Education Code. One officer was limited-term for seven years, working full-time almost every day.

There have been several instances where officers did their duty as sworn peace officers, but were ordered not to follow the rules and regulations by high-level administrators. For example, police officers reported that people had been caught breaking the law and were apprehended, but high-level administrators ordered their release or no action. Under the current organization, police badges are given to governing board members and certain district employees.

## Recommendations

*The Special Trustee/Police Department should:*

1. Determine what the mission of the Police Department will be on the campus. Review the existing structure within the Police Department, which is top heavy with supervisory personnel, and reorganize the department.
2. If the Police Department is to be retained, ensure that a competitive recruitment process proceeds for the position of Police Chief.
3. Confiscate official police badges from those individuals who are not legally serving as peace officers under the pertinent provisions of the Penal Code.
4. Strengthen the policies and procedures concerning interference with official police business, such as issuing tickets and apprehending suspects, to ensure that interference in police procedures ends.
5. Pursue POST certification for the department.
6. Ensure, through the Personnel Commission, that the hiring practices in the Police Department are in strict conformance with the Education Code and its rules and regulations.
7. Repair the police cars that are inoperable due to mechanical defects and return them to service as soon as possible.
8. Investigate the procurement of non-lethal deterrents such as Tasers.
9. Consider moving the police office to a more centralized campus location.
10. Educate personnel in the Personnel Commission and the district Human Resources Office regarding the laws, rules and guidelines that are applicable when working with sworn personnel, such as the Penal Code and the Peace Officers Bill of Rights.

## Student Services

### Instruction

#### Findings

The district does not use an effective program review process. Program review is an essential component to planning whereby an instructional or student service unit has the opportunity to discuss its history, purpose, and to justify its existence. The process also provides an opportunity for the unit to discuss established student learning outcomes. The unit may have the opportunity to review its prior year's productivity, and the generated full time equivalent students (FTES), to determine direction for the future of the unit and the college. As stated in the Compton College FTES Committee meeting of June 2, 2004, the college has not taken an active role in producing productivity reports for program review.

An effective process would require all units to participate in the program review process every two years. A written schedule of the units due for review must be made available in a timely manner in order for the unit to review data and develop measurable goals and objectives.

On April 21, 2004, the Executive Vice President of Academic Affairs and the Accreditation Specialist presented a faculty flex activity, with the main emphasis on accreditation. The event focused on core concepts, formal capstones, terms and definitions, program planning review format, and time line. There was no mention of student services in the document associated with this activity. The district's administrative policy should require that the college develop an internal program review process that includes academic, student services, and administrative units.

Currently, the Executive Vice President of Academic Affairs is responsible for reviewing the class enrollments. A more hands-on approach to enrollment management must be taken so that Compton Community College can continue to provide an equitable curriculum across the campus. An effective enrollment management process would include the following:

- Accurate statistical data for five years of previous class enrollments by class title, department, and instructor. This data must be collected and available for the end of the pre-enrollment period, first day of the term, first census, and 14th week of the semester.
- A review of the low-enrollment classes at the end of the pre-enrollment period and on the third day of late registration.
- Written criteria for class cancellation that is made available to all division chairs, faculty, and scheduler.
- A review of the attendance accounting method of each class to check for accuracy.

- A review of the faculty load for accuracy.
- Continued participation in curriculum development by the individual who is assigned the task of enrollment management.
- Reminders from district administrators to faculty to take daily attendance and to drop all non-attending students immediately. Faculty must be reminded that attendance bookkeeping is part of their load.
- A full analysis of low-enrollment classes to determine which overload classes should instead be part of the faculty's regular load.

A review of the data shows that a large number of faculty members are teaching overload, some as much as 1.0 FTE over their current full-time load. Additionally, programs that have had extremely low FTES for the past five years continue to be scheduled, such as welding. Other programs continue to exceed their FTES goal, such as mathematics. This inequity across the curriculum perpetuates animosity among faculty, causes poor use of district resources, and denies students access to courses they desire.

The "Agreement Between Compton Community College and Compton College Federation of Employees Certificated Unit" handbook item No. 17.3 states that class size for a non-restricted class shall be 67 students. Similar community colleges in the area regulate maximum class sizes between 30 and 40. Using the data from the Spring 2004 semester, FCMAT determined that the average class size is 23.580. Overall, Compton Community College classes are under-enrolled by one-third compared to normal college class loads.

Several Compton Community College staff members stated that certain faculty members are allowed to teach classes with five or fewer students the entire semester and that several faculty members teach overload classes that start before the contracted overload hour begins at 4 p.m.

Employees outlined several processes that would lead to the misrepresentation of student attendance data or FTES. FCMAT was informed that instructors do not take daily class attendance, and some instructors do not drop non-attending students. Instead, the students' names are left on the roster and the student is given a failing grade at the end of the semester. This keeps the class from being cancelled and/or keeps enrollment up. Some instructors are allowed to teach low-enrollment classes every semester, without penalty. In addition, many instructors do not adhere to published dates when rosters must be returned to the Admissions and Records Office or the Welcome Center.

A review of the Positive Attendance Checklist of the open entry/open exit class list showed questionable use of the attendance accounting method:

<b>Spring 2004</b>	<b>Mathematics 009A-5208 TTH</b>	<b>5:00 pm – 6:00 pm</b>	<b>21 students</b>
	<b>Mathematics 009B-5209 TTH</b>	<b>6:30 pm – 8:00 pm</b>	<b>16 students</b>

Both classes are semester length and regularly scheduled, and the unit value is the same. According to the California Attendance Accounting Manual, the method of attendance is determined by 1) the course description and 2) the scheduled time of the course, as follows:

**Weekly Census:** Semester length and regularly scheduled  
**Daily Census:** Less than semester length and regularly scheduled  
**Positive Attendance:** Four class meetings or less; variable unit; irregularly scheduled

In the Spring 2004 schedule of classes, the open entry/open exit designation is not stated in the course description of Math 009A or Math 009B. By designating these courses as positive attendance, with the assumption that the classes are open entry/open exit, the college would collect fewer FTES than if the class attendance method was weekly census based on the total number of students enrolled. According to the faculty contract, the maximum class size is 67. As of May 21, 2004, the students enrolled in each section are less than 50 percent of the contract requirement. The generated FTES would be more profitable for Compton Community College if the attendance accounting method were weekly census. Also, the faculty member teaching the class would not be required to submit monthly positive attendance reports to the Administrative Assistant in the Welcome Center. Attendance accounting methodologies for all classes must be reviewed regularly to ensure the maximum FTES.

At the time of FCMAT's fieldwork it was discovered that two staff members, the Scheduling Specialist and Human Resources Specialist, play a large role in the development of the schedule. This current process does not ensure accuracy of load, which affects FTES and faculty salary. Currently, the Scheduling Specialist is responsible for loading the class information into the old and new software systems. This process of dual entry should end after Fall 2004. The staff member performing scheduling duties loads the class, time, room, and instructor, as well as room assignments and cancelled courses. However, the faculty load is input by Human Resources. After the draft copy of the schedule is produced, the Scheduling Specialist is responsible for resolving any room conflicts. This process is very cumbersome and time-consuming. Four reports must be reviewed in order to resolve a room conflict. The fact that there is no properly titled "scheduler" and that duties are disseminated to a range of staff members leads to disorganization and inaccuracy.

The Executive Vice President of Student Affairs produces a schedule time line that is given to the division chairs, who are then given three opportunities to make additions and changes to the schedule. Often division chairs do not adhere to the time line, thus resulting in last-minute changes that affect the production of the schedule and contribute to possible loss of FTES.

Compton Community College does not offer any variable-unit courses. Instead, the college utilizes the A/B/C lettering process. The student enrolls and completes Section A, then Section B, and so forth. Other institutions advertise their variable-unit courses and the student, at the point of registration, elects the number of units. Since the class is generally open entry/open exit, the student may add additional units anytime within the beginning and ending dates of the class. Compton Community College will gain more FTES if the student enrolls and completes the initial amount of units selected. A student who enrolls in an A/B/C type course often will not enroll in the next section for several reasons, including lack of money, time, or dissatisfaction with the class.

In reviewing the Physical Education 52A/B/C/D open entry/open exit classes, FCMAT discovered that students who did not complete enough hours for 1.0 unit of credit were given an “IP” grade. According to the “Standards of Scholarship” policy listed in the 2003-05 catalog, the IP symbol = In Progress. This is used to denote that the class extends beyond the normal end of an academic term. If a student enrolled in an open entry/open exit course is assigned an IP at the end of an attendance period and does not re-enroll in the course during the subsequent attendance period, the appropriate faculty member will assign a grade to be recorded on the student’s permanent record for the course. This process requires additional work for the faculty member, who must submit a grade change form to Admissions, which then is required to input the grade change. If the classes were advertised as variable-unit, at the end of the term units would be awarded based on total hours attended, thus eliminating additional work for the instructor and admissions staff.

The district does not produce an annual course catalog addendum to its two-year catalog. Various course additions and changes occur in a two-year period that will result in a loss of revenue. To keep the community and students informed of any new program(s), courses, or changes, an addendum should be produced.

The Faculty Senate and the Governing Board must approve the instructional calendar prior to any release of publications. As a result of poor planning, the approval of the calendar currently takes place when the catalog and schedule should be available to the public. In order for the college to properly plan for the next academic year, the instructional calendar must be approved and available at least one year in advance. The calendar affects future productivity and FTES.

In order to increase FTES for the year-end attendance period and to be competitive with the local community colleges in the area, Compton Community College has held a combined three-week 2004 Spring Post Session in addition to the regular summer class schedule. The three-week session began June 1 and ended June 18, and the regular six-week summer session began June 21 and ended July 29. However, due to a lack of communication throughout the district, the Fall 2004 schedule was not available in a timely manner. There is an obvious disconnect between the Instruction and Student Service departments.

According to the 2003/05 catalog, the Fall 2004 semester was to begin August 16. At the time of the fieldwork for this study (June-July 2004), the Associate Dean of Admissions was not aware of the fall semester start date nor was the 2003/05 catalog available. At that point the Fall 2004 schedule should be available so the student may select classes, the staff may properly plan registration, and course offerings can be accurately communicated.

## Recommendations

*The Special Trustee/Admissions and Records should:*

1. Commit to a formal program review procedure that includes all instruction and student services units.
2. Develop an effective and consistent enrollment management process as described above.
3. Request the scheduler to determine a specific symbol for missing rooms so that the IT department can run a report of this specified symbol only. This would reduce the room resolution process by one-half.
4. Develop a proofreading process by which the scheduler inputs the faculty load and the Human Resources department checks the load for accuracy.
5. Enforce the course schedule time line and disallow any late additions and changes.
6. Create a legend on the top of each page of the schedule to specify the four-digit course registration number, department abbreviation and course number, day and time of course, room, instructor, and units.
7. Note the credit/no credit option, where appropriate, on each course offering in the schedule and catalog.
8. Designate the number of times a course is repeatable on each course offering in the catalog.
9. Consider alternative scheduling, such as variable unit courses.
10. Ensure that the census date is included in the schedule of classes "Important Dates" listing.
11. Produce a catalog addendum for each schedule, beginning with the Spring 2005 term. Include course/program additions and deletions, corrections to the current

catalog, new courses descriptions, and any revised or added college policies and or procedures.

12. Review the instructional calendar process and develop a strict time line.
13. Produce a two-year instructional calendar that covers the same time period as the two-year catalog. E-mail and distribute copies throughout the campus prior to each academic year.
14. Improve communication between instruction and student services with regard to scheduling.
15. Consider producing the summer and fall schedule simultaneously to reduce cost of production, improve communication with students, and increase FTES.

## **Admissions and Records**

### **Findings**

All Compton Community College students are required to apply or enroll in person because the district does not offer telephone or online registration. Additionally, all other admissions services require an in-person contact. All new students are required to complete a paper admissions application and submit it to the Welcome Center or the Admissions and Records Office. The application is manually input into the current software system.

As a result of the most recent software conversion in April 2004 from an old legacy system to a new system, the staff is inundated with phone calls and in-person student problems with grades and records. According to the Information Technology department, not all student records from the old system converted into the new system because of duplicate records. The Admissions and Records Office staff is attempting to resolve the problem on both the old and new systems so that students' transcripts are accurate. Currently, the Admissions Office is processing transcript requests on the old system and checking to ensure that all Spring 2004 grades are included.

Admissions and Records Office staff members stated that training in the new system was inadequate. Two of the seven staff members have not received registration/enrollment training, have a limited knowledge base and cannot assist during peak enrollment periods, which contributes to lengthy delays in service. Staff also stated that navigating through the new screen is very difficult and time-consuming. A system that functions well should be based on the Web to allow staff, faculty, counselors and students to utilize its services. Web-based services must include:

- Registration of credit and non-credit classes (adds and drops)
- Collection of fees by credit card
- Drop functionality when fees are not paid
- Access of student transcripts
- Online admission application
- Prior semester grades
- E-mail accounts
- Education Plan review and student major review

The full-time staffing in Admissions and Records is adequate. There are five classified staff members, one office supervisor, and one Associate Dean of Admissions/Matriculation. Due to recent budgetary cuts, the hourly staff allocation has been reduced considerably. In the past the Admissions and Records Office has relied on hourly staff to work during the peak enrollment period, which allows the full-time staff to perform the daily admissions tasks. Such tasks include transcript evaluation, graduation processing, roster printing and scanning, processing outgoing transcripts, athletic eligibility certification, general certification, answering phones, and inputting admission applications.

Compton Community College does not have a destruction of records policy. Such a policy would allow the Admissions and Records Office to microfilm and/or destroy records that are currently kept in file drawers and boxes. Office space appears adequate; however, there is a great deal of clutter. It appears that inactive records are not stored and there is no district procedure in place for eliminating old records. FCMAT was told that records, add cards, drop cards, applications, and transcript release forms are never destroyed. A particular case was cited when a student claimed non-attendance in a particular class and the Admissions and Records Office staff located the five-year-old record.

FCMAT noted that student workers have access to other students' records. These records include students' social security numbers, addresses, phone numbers, and class locations. The student worker is responsible for sorting and filing admission applications, add/drop cards, reinstatement cards, rosters, and other admissions forms. The college is not protected if the student worker releases directory information. During the hiring process student workers and part-time hourly staff should be given written instructions that relate to the release of student information and the sensitive nature of the material they will be handling. They also should sign a statement of understanding that the release of confidential information will result in automatic termination. Offices that hire student workers and part-time hourly staff should post the document in their work areas.

The Admissions and Records Office does not collect fees. All students who owe fees are referred to the Bursar's Office. These include enrollment, past debt, and transcript fees. During registration, students who owe enrollment fees are referred to the Financial Aid Office to request financial aid or a fee waiver. In cases when the student does not qualify for a fee waiver (BOGW) or financial aid, the debt remains on the student's records until he/she returns.

The Admissions and Records Office prints and delivers six sets of rosters each term:

1. Temporary roster / First day of instruction roster
2. First census / No-show and drop roster
3. Academic intervention / Mid-term grade roster
4. Permanent roll / Verification of students in class
5. Final census / Drop roster
6. Grade sheet / Final grade roster

The first census, academic intervention, drop, and final grade rosters are scanned into the old system and then converted into the new system. According to the Attendance Accounting Manual, community colleges are required to maintain the first census and final grade rosters. The production of additional rosters to assist the faculty or for matriculation guidelines is at the discretion of the college. Compton Community College produces excessive rosters.

The Records Specialist is responsible for printing, receiving, scanning, and maintaining the rosters. Problems were experienced with the Spring 2004 grade conversion. After the roster was received, it was scanned and uploaded into the old system, then converted into the new system. Apparently, some of the grades did not convert, resulting in incomplete records.

The Records Specialist prints, scans, and maintains the weekly census and daily census classes. The process used is different from that used for positive attendance. All positive attendance open entry/open exit class rosters are printed and maintained by the Administrative Assistant who works in the Welcome Center. The Welcome Center staff member prints a monthly positive attendance sheet for each class. These are open entry/open exit classes that require documentation of daily attendance by the instructor. The hours are input into the computer system every month for each class, and the Information Technology department tallies the hours for the California Community Colleges (CCSF) 320 report, Part IV, Student Contact Hours of Actual Hours of Attendance.

The Admissions and Records Office is open to the public 11 hours per day, Monday through Friday, and four hours every Saturday, totaling 59 hours per week. FCMAT believes that once the college develops telephone and online registration systems, the Ad-

missions and Records Office will not need to remain open for so many hours. Employee productivity and efficiency will increase through students' utilization of technology. This will free up time so that Admissions and Records can perform these necessary tasks that have been difficult to complete with the current office workload:

- Hold weekly staff meetings
- Clean office, workstations, and reduce clutter
- Microfilm old records
- Cross train staff on the new system registration/grades/transcript modules

There are two types of schedules on the Compton Community College Web site: PDF format and searchable HTML format. According to the Associate Dean of Admissions, the searchable format schedule, which lists the current enrollment in each section, is not kept current. The Web site states that the schedule is updated nightly, but according to the IT systems administrator, it is updated several times a month. The Associate Dean of Admissions advised FCMAT that often students come to the Admissions and Records to enroll with the information from the Web site, only to find that the class is closed.

The Executive Vice President of Student Affairs must approve a student's request to exceed the number of times a course may be repeated. In most cases the student has received a substandard grade ("D," "F" and/or "N" as defined in Section 55758 of Title 5) after taking the course twice. On the third repeat, the college is not permitted to collect FTES. The Information Technology Department should develop computer programming to avoid inadvertent collection of FTES. According to the IT department, no such programming is installed. There are also cases when the student receives a "C" grade or better and requests to repeat the course. According to Title 5 55763, "Course Repetition: Special Circumstances," there are certain provisions by which the college can collect FTES; otherwise, it cannot.

The Admissions and Records Office is responsible for making residency determination at the point of entry into the college for all students. There have been documented cases at Compton Community College in which California residency determination has been made by staff members who do not work in Admissions and Records. The first case involves the residency of student athletes and the other an instructor's involvement in issuing Immigration and Naturalization Form I-20s for foreign students to allow them entry into the United States. The Executive Vice President of Student Affairs is aware of the incidents. However, staff members who work in other area who elect to assist in the admissions process must be aware of the California residency requirement along with other applicable admissions demographics information that is required. Much of this information is in the Family Educational Rights and Privacy Act (FERPA). This is federal law that protects the privacy

of student educational records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education.

The district organization of student services and academic programs needs to be streamlined. There appear to be territorial issues and a lack of trust between the two departments. The Admissions and Records Office is not closely involved in production of the schedule and catalog. The Executive Vice President of Student Affairs provides the important registration dates. During the enrollment period the Admissions and Records Office often discovers errors in the schedule. These errors could be reduced if the office had the opportunity to proofread the schedule prior to publication.

During peak enrollment periods, registration is moved into a laboratory to reduce the long lines in the admissions/counseling area. There is generally opposition from instruction when admissions moves into the lab. There needs to be more discussion centered on the needs of various offices throughout the campus.

The district does not have an effective outreach/recruitment/marketing unit to distribute information to prospective students. No single department or office has the primary responsibility for sending out schedules, catalogs, or information bulletins from the college. Requests for schedules and catalogs are handled in various offices.

An outreach/recruitment unit should be established in the Student Services area and assigned to perform the following tasks:

- Recruit individuals or groups to the college.
- Oversee campus tours, lead delegations and welcome groups.
- Develop and distribute a calendar of campus events as well as a recruitment plan.
- Work with statistical data from instructional departments to develop recruitment strategies for low-enrollment or newly developed classes.
- Participate in the Program Review process to ensure effectiveness both on and off campus.
- Develop an intake process of admissions applications.
- Develop a plan to gather and distribute all publications (catalogs, schedules, bulletins) to the community.

## Recommendations

*The Special Trustee/Admissions and Records Office should:*

1. Direct the Information Technology department to select three companies with an outstanding reputation for telephone registration and online services for staff consideration. Involve all necessary staff members in the selection and presentation of the product.
2. Ensure that all student service staff members are trained on the system and given clear, concise training documentation.
3. Acquire membership for the campus in CCC Apply, whereby students may submit their application for admissions online.
4. Oversee the formation of an Instruction and Student Services collaborative to inform and train students in the use of the new telephone and online services.
5. Involve the Public Information Office, Marketing Department, and Recruitment Department assistant in marketing telephone and online services.
6. Ensure that all Admissions and Records Office staff are trained on the admissions/registration module and any other module that would affect the admissions operation.
7. Develop a Destruction of Records Policy that clearly outlines the procedures with regard to permanent, optional and disposable records.
8. Develop a confidentiality document for all student workers, part-time hourly employees, and classified employees that is available in the Human Resources Department. Require all regular, hourly and student employees to read and sign the form. Place the form in the employee's file.
9. Include a statement in the schedule of classes, "All fees are payable at the time of enrollment."
10. Give the Admissions and Records Office access to view any fee waivers that are in the system.
11. Reduce the number of rosters that are printed each term from six to four. Retain the opening/first census, verification, drop roster and final grade rosters.

12. Develop a more efficient method of handling the open entry/open exit positive attendance rosters. Include technology whereby the student signs in and out on a computer in the classroom, and at the end of the term the faculty member submits a diskette that includes this information; thus eliminating monthly roster submissions.
13. Assign the Administrative Assistant in the Welcome Center the task of printing and maintaining the academic intervention roster.
14. Implement registration technology and reduce Admissions and Records office hours.
15. Ensure that the schedule on the Web site is updated daily.
16. Task the Information Technology Department with creating a specific program for the district to prevent the collection of FTES where it is not permitted.
17. Create a procedural document that outlines the California residency requirements and what documentation is required for all recruitment purposes.
18. Form a collaborative committee to discuss issues that involve both Student Services and the academic programs. Student Services must be involved in the production of the schedule and catalog, particularly the Associate Dean of Admissions and Records.
19. Create an outreach/recruitment unit within the college organization.
20. Develop a recruitment/marketing plan that includes the formation of an outreach and recruitment unit. Channel all requests for publications to the new unit for distribution to the community and outside agencies.

## Facilities Findings

The district has built several new buildings over the past few years. Along with building programs, responsibilities in the facilities area include building maintenance, major repairs and grounds upkeep. All of these activities are under the management of the Deputy Superintendent/Executive Vice President for Academic Affairs. FCMAT finds the following deficiencies in the district's performance of facilities functions:

- Classified staffing for facilities has increased without apparent workload justification. Some positions have been subsequently eliminated in the 2003-04 fiscal year as part of the budget reduction program.
- Required five-year building and scheduled maintenance plans have not been maintained.
- Major building programs are not adequately managed.
- Costly change orders, building cost overruns and incomplete contractor work have been permitted on the state bond-funded vocational technology and Science/Math Building projects.
- Expensive settlement agreements have occurred with building and other contractors. A board member stated that the reason for approving these settlements was to avoid litigation, despite what appears to be shoddy workmanship and poor design work by contractors who are responsible for delivering a complete and usable project.
- The district has become indebted through the issuance of two Certificates of Participation to pay for building projects that are over budget and incomplete. It has also spent Measure CC funds to avoid litigation and to attempt to complete these two projects.
- The annual performance and financial audits required in the State Constitution pursuant to Proposition 39 have not been completed since passage of the local bond.

The Director of Maintenance and Operations has worked for the district for three years. The principal problems found in the management of facilities are not under his supervision. The district is not presently organized to properly handle the facilities function. The Deputy Superintendent/Executive Vice President for Academic Affairs does not have the technical qualifications or the time to directly manage these activities.

On November 5, 2002, the district voters passed Proposition 39, Bond Measure CC, a \$100,000,000 facilities bond. The district has issued \$40,000,000 in debt against Measure CC. Ten million dollars of this amount was used to pay off two earlier Certificate of Participation (COP) loans that were used to pay for lawsuit settlements and for other purposes

that are not clear to FCMAT. Also, the annual financial and performance audits on Measure CC as required in the State Constitution pursuant to Proposition 39 have not been done.

Community college facility use is governed by state law and regulation. Facility use and rent rates are provided in state law and by Governing Board policy. FCMAT found that current board policy needs to be revised to comply with state law concerning rentals made to outside organizations. Certain community groups can use college facilities for “actual cost” and other groups should be charged the “market” rate. Compton College facilities are provided to some organizations at no cost. There is no record of a recent study to determine either “at cost” or “market” facility rental rates.

## Recommendations

*The Special Trustee/Facilities Department should:*

1. Strongly consider removing all building project and facility maintenance responsibilities from the Deputy Superintendent/Executive Vice President for Academic Affairs.
2. Create a new job classification of Assistant Vice President for Facilities and Operations or similar title to include education and work experience qualifications appropriate for the major responsibilities of this position. Assign all building and grounds staff and all construction activities to this new position. The new position should report to the Vice President for Business.
3. Oversee the creation of a facilities and grounds maintenance staffing pattern commensurate with the workload and staffing of similar institutions.
4. Ensure that all staff are supervised at the performance level described in employee job classifications and the collective bargaining agreement. Assign Human Resources and Personnel Commission staff to arrange for employee training on work expectations and effective supervision techniques.
5. Require detailed annual financial and performance audits of the use of Measure CC funds both for expenditures covered by earlier COP borrowing and for expenditures directly paid from Measure CC bond proceeds.
6. Oversee the review and rewriting of district policies concerning facility rental to comply with state law and to improve revenue needed for building operations and upkeep.

## Technology Systems

### Findings

FCMAT and Compton Community College information technology staff members analyzed and documented numerous areas of technology service that required improvement. FCMAT assessed the scope of the current financial, student, and human resources information systems project; the management of configuration issues; and the detailed functions that are needed by Compton Community College system end users. FCMAT was asked to provide Compton CCD's executive leadership with project recommendations and a risk mitigation plan for their existing (legacy) systems.

The software company providing user support to the college is having great difficulty in meeting basic industry standards in project management and software development methodologies. Compton CCD's management information systems' functionality, legacy system, network infrastructure and security are performing at unacceptably low levels. These circumstances require immediate attention by the current Compton CCD administration.

The software company's team members do not possess the necessary skills in key areas to perform competently at the level assigned. The necessary project management techniques and leadership have not been demonstrated. Therefore, it is questionable whether the company could ensure that the student, human resources, and financial information systems would be integrated accurately and safely, and would meet Compton CCD's detailed design specifications in a timely manner.

The software company's project manager does not utilize standard project methodologies such as communication plans, project plans, or project management analysis to track and adhere to the time line or to stay within the project's scope.

The software company has not demonstrated the ability to project, control or understand the technology issues involved in developing integrated systems. The company lacks the industry standard software development methodologies and is unable to provide to Compton CCD any form of configuration management for its systems. Changes to the functionality, database, and security occur without notice and without testing. This is most evident in the information technology "break-fix" history. Most often the company's "patch" releases impede the functionality of systems under development, significantly slowing development efforts. Some issues have remained unresolved for nearly a year. Information technology staff members have repeatedly asked the company to develop and implement a process for managing system changes, without success.

Compton CCD also has not verified the software's product source code, which remains a critical risk to the development effort. Thus, Compton CCD staff members are unable to recommend changes to product code or errors within the database tables.

Compton Community College IT staff noted extensive problems with system security, network scalability, database optimization, reliability and administrative workflow. The student information system software is currently performing at a level below that needed to support the campus. End user accessibility is flawed. User group creation and modification is extremely labor-intensive. There is no evidence that the product will work in a diverse computing environment. Currently the product does not work effectively and efficiently on a multitude of platforms and does not demonstrate Web integration and student portal functionality, which should be considered a long-term goal of any institution. The software company has not yet produced a product development road map that will show how the student information system integrates with its Human Resource and Finance products.

This product does not provide adequate System Administrator functionality, workflow, or audit trails. As currently constructed, a Systems Administrator can execute changes directly to a database without leaving an audit trail. This is one of many currently existing security issues. Currently the Compton CCD network, infrastructure, and security parameters are completely inadequate and extremely vulnerable to data compromise. Systems administrators will face the labor-intensive job of maintaining each of the disparate systems. It is the recommendation of Compton's information technology staff that the software company introduce a significant upgrade into the current financial, human resources, and student information systems to add the necessary security to reduce resource allocation and time spent on maintenance.

There is a lack of effective communication between the district and the software company. Compton CCD has received inadequate technology staff training during the review process, and there appear to be no solutions or clear path to raise these competencies. Overall, FCMAT feels the basic functionality is unacceptable, as is product development/deployment.

The Uniface language that the software utilizes exists in a very small percentage of U.S.-developed software, and the product may continue to experience development setbacks as a result. In addition, the inability of the company to gauge this product's life cycle will impede its future progress.

Compton CCD will likely carry the financial and administrative burden of training developers, Web masters, database administrators and other technical staff in order to help the software company complete refinements to its information systems.

FCMAT interviewed a substantial number of Compton Community College faculty and staff involved in the software implementation. Almost all interviewed seemed indifferent to resolving system and functional specification deficiencies. This appears to stem from an observable indifference that the software company representatives convey when they interface with Compton Community College information technology staff and other em-

ployees. Company representatives do not conduct themselves professionally with Compton Community College staff and at times are combative and verbally abusive. The software company currently has one part-time Project Manager at Compton CCD, who also works at two other development locations and has multiple programming assignments.

In order to make improvements in its technology systems, Compton Community College District may want to establish the following industry standards/best practices:

- Weekly project/program meetings to establish a project management team to develop a strategic plan and oversee all student information, human resource, and finance systems.
- Document Center - A repository of all technical documentation and change control forms and authorizations, including recommended engineering revisions.
- Technical Team meetings – Meetings of engineers or IT staff to discuss proposed changes and pre-deployment testing.
- Systems of communication and collaboration between the Business Office and technology staff, at all levels, to quickly resolve implementation problems throughout program life.
- Collaboration with software vendors to maximize the system's standard report generation features.
- Automation of the interface between the student, human resources, and finance information systems.
- Integration testing and a testing lab to facilitate change control practices and procedures, load testing, stress testing methodologies, and patch management techniques.

Leadership is the most significant element in a successfully deployed software or system implementation plan. Compton Community College District is in need of a Chief Technology Officer position to provide a documented Master IT Plan and Technology Vision for its information technology staff to follow. The position would also be solely responsible for program management and the financial, human resources, and student information enterprise systems. This employee would interface with and provide technology recommendations to the President of Compton Community College. He/she would work with information technology staff to create technology procedures, disaster recovery documentation for information systems, and a life cycle road map for its local area network subsystems, data security, wide area network, server farms, network operations center, and telecommunications technologies.

## Recommendations

*The Special Trustee/information technology staff should:*

1. Ensure that the current product source code is validated.
2. Create a risk management (contingency) plan for current software systems.
3. Develop a project plan to migrate current software systems to another platform. This should include the development of configuration management requirements for financial, human resources, and student information systems, a technical statement of work, and a set of detailed design specifications for subsequent migrations and or implementation projects relating to these systems.
4. Create and validate a one-year financial plan for information systems migration and implementation.
5. Decline to renew any existing contracts with the software company after completion of the migration plan.
6. Provide the parameters necessary to facilitate a professional development environment, encourage faculty, staff, technical and consultant participation and personal responsibility.
7. Request a prioritized list from each department describing information technology systems issues that affect them. This will assist both the user and technology staff in addressing these issues.
8. Complete a redesign of the information technology network and infrastructure. This will allow an integrated fiscal, human resources, and student information system to operate effectively, consistently, and securely without the concern of data compromise or corruption.

## Technology System Cost Comparison

### Findings

The estimated cost (\$226,650) for continued implementation and use of the Protocol Financial System through June 30, 2005, exceeds the estimated cost (\$45,738) to implement and use the county office-based PeopleSoft and HRS systems. See the Cost Comparison table on the next page for detailed information on the calculation of these costs.

A five-year projection of costs associated with both systems is presented below.

<b>Fiscal Year</b>	<b>PNI</b>	<b>LACOE</b>
2004-05	\$226,650	\$45,738
2005-06	\$75,000	\$33,484
2006-07	\$75,000	\$33,484
2007-08	\$75,000	\$33,484
2008-09	<u>\$75,000</u>	<u>\$33,484</u>
<b>Totals:</b>	\$526,650	\$179,674

If the district opts to abandon the PNI implementation in favor of the county office-based systems, continued use of the PNI student system module (or some equivalent) will be necessary. The county office systems do not offer the functionality required by community colleges to perform student system information processing. During interviews, a PNI representative indicated that there would be no reduction in annual fees for the district if the district decides to use only the SIS module instead of all modules. The table below displays the additional costs that will be incurred by the district if the district converts to the county office-based systems and maintains use of the PNI student system module.

<b>Fiscal Year</b>	<b>LACOE</b>	<b>PNI student system module</b>	<b>Total projected cost</b>
2004-05	\$45,738	\$226,650	\$272,388
2005-06	\$33,484	\$75,000	\$108,484
2006-07	\$33,484	\$75,000	\$108,484
2007-08	\$33,484	\$75,000	\$108,484
2008-09	<u>\$33,484</u>	<u>\$75,000</u>	\$108,484
<b>Totals:</b>	\$179,674	\$526,650	\$706,324

Over the five-year projection, use of the county office-based PeopleSoft and HRS systems will yield an estimated savings of \$346,976. This excludes the costs associated with the student system. The total cost over five years including the PNI student system would be \$706,324.

FCMAT is continuing to research alternative student information systems that are compatible with and currently in use by other community college users of the LACOE systems.

## Cost Comparison

### LACOE PeopleSoft Financial System

#### One-Time Costs

1.	Implementation Fee	(Rate x FTE)	<u>One-Time Cost</u>	<u>Annual Cost</u>
a.	\$2.00	x 6,126.72	\$12,253.44 <sup>1</sup>	

#### Ongoing Annual Costs

1.	General Ledger			
a.	Sum of:			
i.	(Rate x FTE)			
	\$2.40	x 6,126.72		
ii.	(Rate x Accounts)			
	\$1.50	x 5,520		\$22,984.13
2.	Purchasing	(Rate x FTE)		
	\$1.42	x 6,126.72		\$8,699.94
3.	1099 Reporting			\$300.00
4.	Reports (2003-04 Selection)			<u>\$1,500.00</u>
	Subtotals		\$12,253.44	\$33,484.07
	District Grand Total			\$45,737.51

### PNI Protocol

#### One-time Costs

1.	License Fee	\$40,250.00 <sup>2</sup>
2.	June 2004 Monthly Support	\$27,850.00 <sup>3</sup>
3.	July 2004 Monthly Support	\$27,850.00
4.	August 2004 Monthly Support	\$27,850.00
5.	September 2004 Monthly Support	\$27,850.00

#### Ongoing Annual Costs

1.	Support and Maintenance Fee		\$75,000.00 <sup>4</sup>
	Subtotals	\$151,650.00	\$75,000.00
	District Grand Total		\$226,650.00 <sup>5</sup>

**(Footnotes)**

<sup>1</sup> Ends with FY 2004-05.

<sup>2</sup> This is the last payment necessary to acquire a perpetual use license.

<sup>3</sup> This fee is for training, implementation, support, and various technology functions that are not being performed by district technology staff. The monthly fee can be discontinued when the district has created internal positions required to perform these functions.

<sup>4</sup> The annual Support and Maintenance fee is \$100,000. The \$75,000 shown here reflects annual support for October through the end of the fiscal year. According to Protocol staff, this fee will be assessed to the district after monthly fees are discontinued.

<sup>5</sup> This total is based on the assumption that the monthly fee will discontinue after September 2004.

**Recommendations**

*The Special Trustee/information technology staff should:*

1. Identify and fill vacant positions in the technology organizational structure necessary to perform the daily functions and duties currently being handled by external contractors. Termination of externally contracted support will net the district a monthly savings of \$27,850.

**Network Rebuild****Findings**

FCMAT interviewed ten Compton CCD technology stakeholders. This group was representative of technical staff, business office and faculty administration, and vendors. The concerns they expressed to FCMAT included:

- Technology staff members are inadequately trained.
- The overall network is very slow and unreliable.
- The e-mail system is unreliable and is frequently down.
- The district's unstable network makes student and business information systems unreliable.
- There is no single firewall that controls all connections into and out of the district.

Based on this information, FCMAT conducted a network analysis and found the following deficiencies:

- Three separate Internet service providers (ISP) were connected to the school network through T1 lines: the Los Angeles County Office of Education, Pacific Bell, and World Com.
- There was a Cisco Pix firewall in place that protected only the student and business information systems.

- The Microsoft 2000 Exchange Server was running on a desktop class PC. The motherboard and related computer components would fail with this type of usage.
- Microsoft Active Directory is the core structure of the servers that run on the network. In order for any server to run properly, the Active Directory structure must be healthy. There was no global catalog, which would enable services to run seamlessly on multiple servers and applications. Three out of five FSMO (Flexible Single Master Operations) roles were corrupted. These are the services that enable a global catalog to operate. For example, there were servers with names that did not match TCP/IP addresses in the Active Directory. This causes corruption of the data. When this system is healthy, account information can be entered on one server, with changes/updates replicated on all servers in the Active Directory in five minutes.
- The school district was deploying a virus scan server that only covered one of the three ISP connections.
- There was virtually no content filtering for the school. All users could view any site on the Internet.
- There was no spam filtering for e-mail services. Excess e-mail clogs the server, as well as the user's mailbox, and leads to poor functionality. This has resulted in many staff members deciding to use other e-mail systems.

FCMAT was engaged to address the most immediate concerns discovered in the analysis of the network. From July 9-12, 2004, the following work was completed on the Compton CCD network, with the willing and able assistance of district employees.

- A new master distribution frame (MDF) was created to house the ISP connection and related firewall, filtering, and server equipment for all users. It was moved from its original location to the Math-Science building to utilize the new asynchronous transfer mode (ATM) circuit in the Math-Science building.
- This work started with a conversion of the Pac Bell T1 to a Pac Bell 5 MB ATM circuit to greatly improve the capacity of the network connection to the Internet. The World Com T1 circuit was shut down to make the network more secure. The LACOE connection was routed exclusively for business office use, also for improved security.
- The Cisco Pix firewall was repurposed and updated with the latest firmware. (Firmware consists of computer programs contained permanently within a hardware device.) An additional network card was installed in order to establish a DMZ network for web and e-mail services for Internet users.
- Virtual local area networks (VLANs) were installed. VLANs allow network administrators to resegment their networks without physically rearranging the devices or network connections. These network segments are assigned to administration,

students, and buildings. Segmenting the network in this manner greatly increases the speed, security, and reliability of the network.

- The virus scan server was placed in the VLAN configuration to protect all networks from viruses.
- FCMAT installed a LightSpeed appliance to deliver content filtering and spam filtering.
- The Active Directory was repaired.
- The 2000 Exchange e-mail server was moved to a server class computer and upgraded to Exchange 2003. All mailboxes were migrated to the new server. Outlook e-mail clients and Outlook web access were tested and deemed reliable.
- All domain name services on the Compton CCD network were changed, updated, or created to match the new network topography.
- Computer workstations were tested throughout the campus.
- Remote management and administration was set up for support and vendor access to the network.
- FCMAT continues to monitor and support the security of the network.

## Recommendations

*The Special Trustee/information technology staff should:*

1. Evaluate the services offered by the LightSpeed appliance. Consider purchasing this type of product to filter Internet content and e-mail spam.

## Gateway Proposal

### Findings

During the network rebuild, FCMAT learned that the district had entered into a \$2.9 million agreement with Gateway Computer Co. for infrastructure and desktop upgrades. This work includes replacement of all servers, switches, and desktops over a three-year period. The proposal is divided into three phases:

- Server installation, including mass data warehousing.
- Hardware and software to enable the district to work toward a paperless environment. This will include online registration and transcript processing.
- Desktop computer replacement.

The proposal had received board approval before state intervention in the district. FCMAT helped review the proposal and assisted the district in modifying the deliverables and out-

comes to be accomplished. The contract now contains more detail regarding the work to be done as well as bonding to ensure that the work is completed.

A new purchase order was issued for Gateway Computer Co. Off-site work has begun to configure all servers and equipment.

A new air conditioning system will be installed by the district before the equipment begins operating in the Math-Science building. The air conditioning is necessary to keep the new equipment functioning properly, and should have been accomplished before the equipment was purchased.

## **Recommendations**

*The Special Trustee/information technology staff should:*

1. Continue to monitor all progress on this project to ensure that it proceeds according to contract specifications and time lines.

## **Appendices**

Appendix A - Current Organizational Chart for the Office of the President

Appendix B - Recommended Organizational Chart for the Office of the President

Appendix C - Recap of Revenues and Expenditures

Appendix D - Schedule Taken from State Chancellor's Office Fiscal Data Abstract

Appendix E - Audit Adjustments and Reclassifications 2002-03

Appendix F - Detailed Budget Information

**COMPTON COMMUNITY COLLEGE DISTRICT**

**RECAP OF REVENUES AND EXPENDITURES - GENERAL FUND**

The table of multi-year financial information allows a comparison of prior fiscal years to projections for the current and next fiscal years. The table covers the following periods: fiscal years 2002-03 through 2004-05.

	AUDITED ACTUAL 99/00	AUDITED ACTUAL 00/01	% CHANGE	AUDITED ACTUAL 01/02	% CHANGE	JUNE 30 ANNUAL 02/03 311 REPORT Dec.8,2003	JUN/30/03 DISTRICT AFTER AUD. PRELIMINARY ADJS. JUL/10/04	ACTUALS 03/04 CLOSING JUNE 30,2004 (JULY 10,2004)*
<b>REVENUES:</b>								
ADJ. BEG. BALANCE	1,881,529	1,763,572	-6.27%	1,796,442	-4.52%	870,919	870,919	151,443
PRIOR YEAR ADJUSTMENTS							-490,593	
ADJUSTED BEG. BALANCE							380,326	
<b>FEDERAL INCOME</b>								
FEDERAL INCOME	1,876,188	2,722,650	45.12%	2,624,063	39.86%	2,884,116	2,884,116	2,401,979
AUDIT ADJUSTMENTS							262,361	
ADJUSTED FEDERAL INCOME							3,146,477	
<b>STATE INCOME</b>								
APPORTIONMENT	11,913,676	13,720,212	15.16%	14,375,492	20.66%	14,916,316	14,916,316	15,477,353
LOTTERY	606,855	781,142	28.72%	721,437	18.88%	829,359	829,359	552,188
OTHER STATE	5,500,142	5,629,536	2.35%	7,631,732	38.76%	6,258,517	6,258,517	4,543,731
PRIOR YEAR REVENUE ADJ.								
TOTAL STATE	18,020,673	20,130,890	11.71%	22,728,661	26.13%	22,004,192	22,004,192	20,573,271
AUDIT ADJUSTMENTS							550,391	
ADJUSTED STATE INCOME							22,554,583	
<b>LOCAL INCOME</b>								
OTHER LOCAL	6,762,819	8,083,258	19.52%	8,574,161	26.78%	9,146,296	9,146,296	9,616,809
AUDIT ADJUSTMENTS							25,256	
TOTAL LOCAL	6,762,819	8,083,258	19.52%	8,574,161	26.78%	9,146,296	9,171,552	9,616,809
TRANSFERS/OTHERS	-	-		300,000		161,940	161,940	
TOTAL INCOME	26,659,680	30,936,798	16.04%	34,226,885	28.38%	34,196,544	35,034,552	32,592,059
TOTAL AVAILABLE	28,541,209	32,700,370	14.57%	36,023,327	26.22%	35,067,463	35,414,878	32,743,502
<b>EXPENDITURES:</b>								
ACADEMIC SALARIES	8,894,509	10,639,968	19.62%	11,849,862	33.23%	11,546,909	11,546,909	11,170,513
CLASSIFIED SALARIES	8,249,152	8,489,760	2.92%	10,581,580	28.27%	9,786,219	9,786,219	8,974,858
EMPLOYEE BENEFITS	2,749,305	3,366,473	22.45%	3,873,428	40.89%	4,282,512	4,282,512	5,016,523
SUPPLIES & MATERIALS	866,360	1,065,112	22.94%	1,008,711	16.43%	858,462	886,634	947,616
OTHER OPERATING	3,996,663	5,164,997	29.23%	6,029,265	50.86%	5,564,192	5,720,422	4,118,609
CAPITAL OUTLAY	1,037,871	1,170,803	12.81%	705,144	-32.06%	699,687	699,687	514,865
OTHER FINANCING SOURCES	983,777	1,006,815	2.34%	1,178,576	19.80%	1,645,255	2,019,164	737,170
PRIOR YEAR ADJUSTMENT				416,436		852,307	321,888	
	26,777,637	30,903,928	15.41%	35,643,002	33.11%	35,235,543	35,263,435	31,480,154
ENDING BALANCE	1,763,572 6.59%	1,796,442 5.81%	1.86%	380,325 1.07%	-78.43%	(168,080)	151,443	1,263,348

\* This is a preliminary closing . It does not include the accruals for accounts receivable, accounts payable or deferred revenue.  
It includes \$ 1,099,975 for June apportionment, and \$250,948 for Partnership for excellence deferred to July 04-05 These amounts were sent to the colleges by the Cahncellor's Office in July, 2004.

ATTACHMENT #2

PROJECTED 04/05	PROJECTED 05/06	% CHANGE
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## FISCAL DATA ABSTRACT- CALIFORNIA COMMUNITY COLLEGES 2002-2003

DISTRICT	FTES ACTUAL	BEGINNING BALANCE	REVENUES	GENERAL FUND EXPENDITURES	ENDING BALANCE	EXPENDITURES BY ACTIVITY	CURRENT EXPENSE OF ED.
Compton	6,151	18,612	34,034,604	34,221,296	-168,080		
Desert	7,044	3,393,791	33,975,873	33,893,556	3,476,108		
Imperial	5,234	2,262,802	27,996,814	27,709,282	2,550,334		
Mt. San Jacinto	7,924	3,171,536	36,727,404	36,996,449	2,902,491		
Citrus	12,268	7,154,408	49,477,177	51,744,868	4,886,717		

DISTRICT	ACADEMIC SALARIES 1,000		CLASSIFIED SALARIES 2,000		EMPLOYEES BENEFITS 3,000		SUPP. & MAT. OPER. EXPENSES 4000-5000		TOTAL EXPENSES 6,000		TOTAL EXPENSES 1000-6000
Compton	11,546,909	35.27%	9,786,219	29.89%	4,282,512	13.08%	6,422,654	19.62%	1,622,980	4.96%	32,737,981
Desert	14,272,552	42.40%	8,214,053	24.40%	5,484,114	16.29%	5,320,724	15.81%	369,831	1.10%	33,661,275
Imperial	12,076,415	43.58%	6,723,455	24.26%	4,359,859	15.73%	3,525,013	12.72%	1,024,539	3.70%	27,709,282
Mt. San Jacinto	14,187,487	40.27%	8,927,410	25.34%	4,789,469	13.59%	5,174,203	14.69%	2,153,248	6.11%	35,231,818
Citrus	19,746,427	39.48%	13,598,952	27.19%	7,406,005	14.81%	7,354,781	14.70%	1,913,784	3.83%	50,019,950