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Standard III: Resources: The institution effectively uses its human, physical, technology, and financial resources to achieve its broad educational purposes, including stated student learning outcomes, and to improve institutional effectiveness.

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

Description:

San Diego Mesa College has financial resources that are sufficient to support student learning programs and services and to improve institutional effectiveness. The College's overall adopted budget for 2009-2010 was \$70,545,747, which included: \$51,579,775 General Fund Unrestricted; \$8,965,972 General Fund Restricted; and \$10,000,000 Restricted Funds. (III.D-1) However, as with the previous year, there were budget reductions. These reductions totaled \$2,631,248 for the past two years, including \$840,000 for 2008-2009 and \$1,121,568 for 2009-2010, along with \$669,666 in FTEF funding elimination (169 class sections, 37.79 FTEF). (III.D-2) The downturn in the economy, which has been in effect for the past three years, has reduced funding for all sectors of education. The College has been affected by these budget cuts and has responded by following its mission as it acts to reduce spending. Fortunately, the District was in sound financial standing when the reductions were put into effect; but even so, it has been a challenge to address these funding shortfalls, and it becomes more difficult each year.

The College has acted to reduce its expenditures to keep them in alignment with revenue. To this end, the College reduced the number of classes offered while maintaining its core curriculum, and it worked to maintain its core matriculation services. (III.D-3) Concurrent with reducing the number of classes, the College reduced the number of adjunct and hourly employees, while maintaining all of its contract employees. Productivity measures indicated that the Fill Rate for classes progressed from 79% in fall, 2006, to a high of 94% for fall, 2009; Load, which is the ratio of Weekly Student Contact Hours to Full Time Equivalent Faculty, progressed from 485 in fall, 2006 to 561 in fall, 2009. (III.D-4) Both of these measures reflect dramatic increases in productivity. The District also offered an early retirement incentive that reduced the workforce, and implemented a case by case evaluation process for filling vacant positions. (III.D-5) The College has a history of financial stability and supporting student learning programs and services, and this commitment has continued through the current economic downturn.

The District's commitment to sound financial practices is evidenced in its policies and procedures. Board Policy (BP) 6200 Budget Preparation is consistent with Education Code, Title 5, and Government Code, as is BP 6205 Final Budget, BP 6250 Budget Management, BP 6300 Fiscal Management, and BP 6305 Business and Financial. The District and College work in accordance with the California Community College Business and Accounting Manual, District Policies, and Administrative Procedures. (III.D-6, III.D-7, III.D-8, III.D-9, III.D-10)

The College has consistently supported educational improvements. It continues to do so in the current budget situation by relying upon and pursuing sources of funding that are separate from those allocated through state apportionment. These funds include Propositions S and N (passed in 2002 and 2006 respectively), which provided \$1.6 billion dollars for the District, of which \$443 million was specified for Mesa College. (III.D-11) Using its Facilities Master Planning process to guide the expenditure of these funds, the College has continued building new facilities to enhance learning, as detailed in III.B.1. The most recent completion was the state of the art Allied Health Building, which was designed to support best instructional practices in its field. All new facilities planning is driven by the faculty of the school that will be housed within the building, and this assures educational improvement.

In addition to bond resources, the College has received several grants to date. For example, in 2008 and 2009, the College received \$207,964 and \$209,659, respectively, for its National Institutes of Health/National Center on Minority Health and Health Discrepancies grant-funded Bridges to the Baccalaureate Program, which provides opportunities for underrepresented students in the biomedical and behavioral sciences fields. Long-term funding for this grant, which was initially awarded in 2005, has been secured through 2012. (III.D-12) In the area of Student Services, the Community College Pathways for Foster Youth initiative funded the FAST Scholars Program in its effort to provide a bridge from high school to college for foster youth, and to support these students in their work at the College. This program is based upon providing both access and success to an at-risk student population. (III.D-54) To support further grant funding, in the 2009-2010 academic year, the College established a Grants Office, which is administered by the Dean, School of Health Sciences and Public Service, and is staffed by a faculty grant writer on special assignment. (III.D-13) They are creating a streamlined course of action to simplify the grant application and administration process.

Educational improvements continue to be funded by Perkins Career Technical Education Act (CTEA) funds and until the current year were funded by Instructional Equipment and Library Materials (IELM) grant funds. As with all resource allocation at the college, requests and proposals require information and data from Program Review. In addition to these funds, the College has participated in the Basic Skills Initiative since the 2005-2006 academic year, and receives funding from the state to advance student success in its Basic Skills courses. Allocations totaled \$1,610,111 for the five year period beginning 2006-2007 and ending 2010-2011. Receipt of these funds requires the

use of data analysis to evaluate and track practices, outcomes, and expenditures. (III.D-14)

The resource allocation process has a means for setting priorities for funding institutional improvements. Prioritization begins at the school level with the evaluation of Program Reviews and institutional needs at the school and college level. (III.D-15) Because resource allocation is accomplished through the Integrated Planning Process, program plans and goals, as well as assessment measures for key indicators of effectiveness, are considered. (III.D-16, III.D-17) Prioritization is determined according to type of expenditures and funds. In the case of Faculty Hiring Priorities, a combination of criteria is used to prioritize the allocation of resources. (III.D-18) A full description of the planning/allocation process is provided in Standard I.B.

Evaluation:

The College has worked very hard to achieve high educational outcomes and remain financially responsible. The District has a history of financial stability and sound financial planning, and the College is consistent with this in its practices. Policies and procedures are in place to assure that the District and College maintain high standards and legal practices. The College's Integrated Planning Process brings together in one document the many considerations in planning and resource allocation and how they are informed by Program Review. The participatory governance structure of the College supports transparency and commitment to educational improvement.

Adding to the transparency at the College has been the District's process for addressing the budget shortfalls. In public forums the District has made known its values and goals in addressing the problem, which include: (1) avoiding negative impact on contract faculty and staff; (2) maintaining sufficient classes and services for students; (3) increasing FTES revenue; (4) increasing average class size; and (5) enacting cost-containment measures. The forums have also provided full disclosure of the District's financial status, including General Funds; reserves and set asides; and revenue and expense projections. The forums have explained proposed actions and their impact. (III.D-19)

As funding has been reduced, the College has acted proactively by assessing its needs and expanding its work to find new sources of funding. This work is apparent in the creation of the new Grants Office and special assignment of a grant writer. This effort is not the first time that the College has sought alternative funding, as its participation in the campaigns for Propositions S and N yielded successful outcomes, and the resulting funds have been used to build and equip new facilities to better support learning.

As important as its effort to obtain new sources of funding is the College's self-discipline in assuring that expenditures do not exceed revenue. Decisions have been based on assuring core curriculum and services, and preserving quality education for students.

The College meets this standard.

Standard III.D.1: The institution relies upon its mission and goals as the foundation for financial planning.

Description:

The College relies upon its mission and goals as the foundation for all planning, including financial. The Integrated Planning Process makes clear the primacy of mission and goals. (III.D-16, III.D-17) Program Review plans inform planning and resource allocation at the campus. (III.D-20) Each program and service area begins its Year One review with a statement of how it supports the college mission, which is: “to inspire and enable student success in an environment that is strengthened by diversity, is responsive to our communities, and fosters scholarship, leadership and responsibility.” (III.D-21) Each program/service area also has its own mission statement, which is informed by the college mission.

The goals of the college are:

- To deliver and support exemplary teaching and learning in the areas of transfer education, associate degrees, career and technical education, certificates, and basic skills.
- To provide a learning environment that maximizes student access and success, and employee well-being.
- To respond to and meet community needs for economic and workforce development.
- To cultivate an environment that embraces and is enhanced by diversity.

The College’s Mission, Vision, Values, and Goals are revisited every two years and are revised to reflect any changes. They are sometimes revised more frequently, as was the case in the last cycle, when the statements were revisited at the 2009 President’s Cabinet Retreat, and revised by the Academic Affairs Committee in fall, 2009. The new mission and goals were designed to inform the Integrated Planning Process, which was created and refined in 2008-2009 and further expanded in fall, 2009 to more explicitly describe the resource allocation process as it fits into the planning cycle. (III.D-22, III.D-23)

Evaluation:

The College’s mission and goals provide the foundation for planning at all levels of the institution. The mission and goals are regularly reviewed and revised to assure that they meet current needs of the College.

The College meets this standard.

Standard III.D.1.a: Financial planning is integrated with and supports all institutional planning.

Description:

As described in III.D.1, financial planning is integrated with institutional planning. The integration of financial planning with institutional planning began in 2005, subsequent to

the last self study. As reported in the Focused Midterm Report, the integration brought together in one matrix all planning and resource allocation for the college. (III.D-24) Program Review was at the center of all program planning and it informed institutional planning as well. This model was further refined to create the Integrated Planning Process (Linking Planning with Resource Allocation), which consists of a cyclical process that is informed by Mission, Vision, and Values. The annual process proceeds in the following manner, beginning with:

1. Alignment with the Educational Master Plan, which is the long-range campus plan;
2. Development of and actions consistent with the Strategic Plan, which is the short-term plan for meeting long-term goals;
3. Proceeding with Program Review, which consists of a five year planning cycle for each program, service area, and administrative unit, where Year One entails program assessment, development of goals, and the creation of action plans; and Years Two-Five provide implementation, review, and evaluation of the plans;
4. Development of Program Plans, which are Division, School, and Department/Service Area Plans to meet campus goals and objectives, and include Student Learning Outcomes and Administrative Unit Outcomes assessment, data review, and request for resources;
5. Review of resource allocation requests by appropriate participatory governance committees, such as the CTEA Committee, Dean's Council, Budget Development Committee, and Faculty Hiring Priorities Committee, resulting in formal recommendations for allocation; (III.D-18, III.D-25, III.D-26, III.D-27)
6. Culminating with review of committee recommendations by President's Cabinet, and rendering of their own recommendation as to action to be taken; based upon this input, the President makes the final allocation decision.

This cycle is repetitive on an annual basis. It is informed by evaluation of data in Program Review plans and measurement of the four goals of the institution, including college performance in achieving Equity and Access, Engagement and Retention, Persistence, Success, and Institutional Effectiveness. This cycle is also detailed in the Research Planning Agenda, which is reviewed and revised annually. (III.D-28)

Evaluation:

The planning and resource allocation process is in the implementation stage; it has evolved through a series of configurations to its current model. However, it is still a work in progress. Always at the foundation of resource allocation are the Program Review plans, to assure that those who deliver instruction and services are the drivers of resource allocation. In this way, financial planning has been integrated with and supportive of institutional planning.

The College meets this standard.

Standard III.D.1.b: Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

Description:

Mesa College assures that institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements. This has been especially crucial during the budget shortfall of the past three years. Those who are involved in institutional planning receive accurate information about available funds, including the annual budget showing ongoing and anticipated fiscal commitments. This goal is accomplished through the work of three participatory governance committees. At the broader, district level, there is the involvement of the Vice President, Administrative Services, Academic Senate President, and Classified Senate President in the District-wide Budget Development and Institutional Planning Committee, which is chaired by the Executive Vice Chancellor, Business Services. (III.D-29) Involvement on this committee works to provide the District with input by the College in matters related to budget and fiscal matters. The committee reviews and recommends to the Chancellor, District-wide budgetary priorities; they also participate in the budget development process, have access to District financial information, and advise the district on fiscal issues including the self insurance fund, health and welfare costs, allocation formulas, and the Budget Development Model. The College participates in and is kept apprised of budget matters at the District level, and communicates this information back to the college.

The college level participatory governance Budget Development Committee, which includes membership of all three vice presidents and representatives of the various governance groups, develops the General Unrestricted Fund operating budget. This committee remains informed of changes in the budget, and acts accordingly. The third group that is essential to dissemination of information regarding financial resources and to approving all financial plans and allocations is President's Cabinet. Budget issues and financial resource availability are routinely discussed in this forum.

The College establishes priorities for funding that help the college achieve its goals. In terms of Faculty Hiring Priorities, there are priorities within the ten question application form that are evaluated and ranked by the committee. (III.D-18) However, in addition, there are larger considerations for evaluation as well, such as the needs of the department in terms of specialized accreditation requirements, or department size that are used to prioritize decisions. The CTEA Committee uses a rubric for evaluating and ranking applications for funding, which includes how the proposal fits in with Program Review plans, and how it meets the criteria related to CTEA per federal law. (III.D-25) The Budget Development Committee uses a prioritization process with seven criteria, beginning with Safety and Health; followed by Accreditation, Licensure: Mandated by Law; then College-wide need; Program Review plans; Replacement; Instructional Support; and Faculty/Students. (III.D-27: waiting for documentation) The Deans' Council also used these criteria in prioritizing the IELM funding requests, when these funds were available. (III.D-15)

Because of Title 5 requirements associated with categorical programs, most departments within Student Services successfully align planning with budget allocation. The Matriculation Program, which includes admissions, counseling, assessment, evaluations, recruitment and career and transfer, completes a Matriculation Plan each year. (III.D-64) This plan outlines programs and activities for each of the matriculation components. Extended Opportunities Programs and Services, Disability Support Programs and Services, and Financial Aid are other departments that must prepare annual plans and budgets (III.D-65, III.D-66). Budget allocation of categorical funds must be aligned with each plan. At the end of the year, all categorical programs prepare a report of accomplishments. Documentation of students served and activities completed, as indicated in planning documents, for each of these programs is tracked systematically and included in the Student Services Monthly Reports (<http://www.sdmesa.edu/student-services/monthly-reports.cfm>). As well, each year, Student Services produces an annual report which documents success in goal achievement (<http://www.sdmesa.edu/student-services/administration.cfm>).

Beginning in 2008, Student Services adopted the Categorical Allocation Guidelines which highlight how funds are allocated for all categorical programs and links resources to specific activities identified in planning documents. Additionally, for every major event associated with Student Services, faculty and staff must complete a Major Event Form which identifies learning outcomes and links funding to the outcomes of the event. (III.D-68)

Evaluation:

The process by which the College remains apprised of financial resource availability and expenditure requirements is effective. The committee structure at the college and district levels provides for effective communication of this information and dissemination to the college. Prioritization is accomplished through the use of criteria that are made available to college constituents seeking these funds.

In addition to the three committees that directly affect budget, college participation on District Governance Council also provides access to information on financial resources. This Council is chaired by the Chancellor, and its members serve in an advisory capacity regarding district matters, including budget. The College President, Academic Senate President, Academic Senate Vice President, Classified Senate President, and Associated Students Government President sit on this committee. They work with the Chancellor to review various reports or recommendations prior to their final development and submission to the Board of Trustees. Participation on this committee has proven very informative for the campus and has given the college a strong voice on district matters, including those regarding budget.

The College meets this standard.

Standard III.D.1.c: When making short range financial plans, the institution considers its long range financial priorities to assure financial stability. The institution clearly identifies and plans for payment of liabilities and future obligations.

Description

When making short range financial plans, the College considers its long range financial priorities to assure financial stability. This approach is evidenced in the College's Educational Master Plan, which is the five year, long term plan. (III.D-31) This document is the locus for comprehensive planning for all aspects of the college. It includes: the overview of the process and how the various plans intersect; the integration of college and district planning; the planning cycle; Instructional Division Plans, with goals and objectives, including those for each school; Student Services Division Plans, with goals and objectives; Research Planning Agenda; Staff Development Plan; and Information Technology Strategic Plan. The Facilities Master Plan augments these plans that are all long term in nature. They are carried out by annual short term or strategic plans. These are integrated and evidenced in the Integrated Planning Process. (III.D-16, III.D-17)

At the District level, financial planning is sound. In terms of liabilities, GASB 45 requirements for funding retiree health benefit costs have been met with the District's participation in the Community College League of California-Joint Powers Agreement and the establishment of an irrevocable trust. Demsey, Filliger & Associates conducted an audit of this liability for the district and found that benefits were 58% funded as of the July 1, 2007 GASB 45 Actuarial Valuation. (III.D-32) The 2009 Independent Auditors' Reports revealed that this number increased to 59.81% in 2008 and to 63.93% in 2009. (III.D-33)

The future costs of utilities, maintenance, etc., particularly those associated with future Proposition S & N facilities, are approved by the Board of Trustees as projects. These funds are set-aside in the annual budget to cover continuous costs. For example, of the \$13.57 million in projected on-going costs, the Board has set-aside \$3.18 million in General Fund monies. Documentation from the 2008-2009 Amended Budget revealed that salaries, benefits, supplies, repairs, and utilities have been projected for Proposition S & N facilities, and they have been acted upon by the District and Board. (III.D-34) In addition, revenue to fund such future costs will come from a combination of general fund, lease revenue, and restricted funds.

Evaluation

The College acts responsibly with regard to short-term financial plans and long-range financial responsibilities. At the District level, sound planning and anticipation of future costs associated with obligations for retiree health benefits and facilities operations have placed the District in good standing.

In their report to the Board of Trustees and Management, with letter dated October 30, 2009, Caporicci and Larson found one liability accounting deficiency. (III.D-35) This related to accounts payable accruals, and found that an extensive amount of invoices

relating to Proposition S & N construction projects expenditures had not been accrued and recorded in the proper accounting period. The District concurred with the auditors' recommendation for addressing this problem. Of note, this was the only discrepancy identified in the entire audit, and the District was identified as a "low risk audit" (III.D-34, p. 87)

The College meets this standard.

Standard III.D.1.d: The institution clearly defines and follows its guidelines and processes for financial planning and budget.

Description

The College has worked diligently to create a system for planning and budget allocation. Recommendations for allocation are made by participatory governance committees and reviewed and approved through President's Cabinet. Actions are documented in committee and Cabinet minutes. The College monitors its expenses throughout the year and assures that needs are covered and that deficits are avoided.

Evaluation

The College meets this standard.

Standard III.D.2: To assure financial integrity of the institution and responsible use of financial resources, the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.

Description:

The District and College work to assure the financial integrity of the institution and responsible use of financial resources through the financial management system, which has appropriate control mechanisms. Communication from the District to the College through the District-wide Budget Development and Institutional Planning Committee and emails and updates from the Chancellor keep the college abreast of financial changes. (III.D-36, III.D-37) In addition, policies and procedures detailed in BP 6300 Fiscal Management and AP 6300.1 are followed, and assure that adequate internal controls exist; fiscal objectives, procedures, and constraints are communicated to the Board and employees; adjustments to the budget are made in a timely manner; and the management information system provides timely, accurate, and reliable information. The California Community College Budget and Accounting Manual is strictly followed in administering the books and records of the District. The District uses Colleague financial management system. All managers and supervisors have access to real-time budget information using "WebAdvisor," and an online summary of the current year is maintained up to date on a daily basis.

Evaluation:

The College is able to make sound financial decisions based upon updated information provided through the District and through consistent application of practices set forward

in policies and procedures. Colleague financial management system provides up to date feedback on the status of accounts. Colleague has been a work-in-progress since its purchase; however, the District has worked with the colleges and continuing education to develop better usability and responsiveness to user needs.

The College meets this standard.

Standard III.D.2.a: Financial documents, including the budget and independent audit, reflect appropriate allocation and use of financial resources to support student learning programs and services. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.

Description:

The District participates in annual audits that include College finances as well. The annual independent audit performed by Caporicci and Larson for the year ended June 30, 2009, found: (1) an unqualified opinion on the basic financial statements of the District, which is excellent; (2) one significant deficiency in the accrual of accounts payable for Propositions S & N, with which the District concurred and has addressed; (3) no instances of noncompliance material to the financial statements; (4) no significant deficiencies relating to the audit of the major federal award programs; (5) an unqualified opinion on compliance for the major federal award programs. (III.D-34) The District was determined to be a low risk auditee, which is exceptional.

The District was compliant with all state requirements, including: (1) maintaining separate and complete tabulation for each course section reported for state attendance support; (2) assuring that salaries of classroom instructors equaled or exceeded 50% of the District's current expense of education; (3) claiming only the attendance of students actively enrolled in a course section as of the census date for apportionment; and (4) expending Matriculation funds in accordance with the Matriculation Plan. It was compliant with all federal requirements.

The College assures that funds in support of achieving stated goals for student learning are allocated within the proper object codes to ensure appropriate funding levels.

Evaluation:

The District has an impeccable record with regard to budget and independent audit reports. Propositions S & N are overseen by the Citizens Oversight Committee (COC) which provides external monitoring of practices. (III.D-46) All meetings, minutes, and publications related to the propositions and the oversight committee are posted to the general Proposition S & N website. (III.D-47) A subcommittee of the COC is the Finance and Audit Subcommittee which meets regularly and posts its agenda and minutes to its website. (III.D.48) Discussion of the 2009 external audit is included in the minutes for October 29, 2009 where it noted that both bond funds received "unqualified opinions", meaning that they had "no issues". (III.D-49) The general website includes publications and reports. Of note was the 2008 report which called attention to the benefits of the District's accelerated schedule for construction; Mesa College's Allied

Health Building was used as an example of how this new approach was benefiting the District. It was scheduled for completion in 15.5 months as opposed to 18 months as originally scheduled. (III.D-50) The advice of the COC has enabled the District to go forward with construction that is both effective and efficient.

The College meets this recommendation.

Standard III.D.2.b: Appropriate financial information is provided throughout the institution.

Description:

Information on the budget is communicated through multiple outlets on campus. As stated previously, there is constant communication from the Chancellor and the President via updates and emails. In addition, budget is discussed in President's Cabinet on a regular basis, and this venue is open to all campus constituents. In fall, 2009, the President held town hall meetings on the budget. (III.D-38)

Evaluation:

The College meets this standard.

Standard III.D.2.c: The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences.

Description:

The District and College have sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences. The College's ending balance carryover for General Unrestricted Funds for the past three years has been: 2006-2007: \$769,008; 2007-2008: \$434,858; and 2008-2009: \$443,349. (III.D-51) The District's ending balance for General Unrestricted Funds for 2008-2009 was \$14,160,184. It maintains a minimum 5% reserve, in compliance with state law, and this is sufficient to maintain a reserve for emergencies. (III.D-52)

In terms of risk management, the District carries sufficient insurance, with coverage for Property, Boiler and Machinery, Comprehensive Liability, Excess Liability, Automobile Liability, Crime, Excess Workers' Compensation –California, Workers' Compensation – Other States, Foreign Liability, Student Professional Liability, Air Travel, Student Accident Insurance, Student Athletic Insurance, and Earthquake and Flood. The District is self insured for its deductible. (III.D-39) The District pays for insurance through its Internal Services Fund. (III.D-40)

Evaluation:

The College and District maintain sound financial practices to assure a solid reserve and proactive planning for risk management.

The College meets this standard.

Standard III.D.2.d: The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

Description:

As discussed in III.D.2.a, the independent auditors found the District's financial practices to be excellent. In terms of financial aid and grants, the audit found no exceptions. A separate audit was performed on the District's Auxiliary Organization and found "no finding or questioned costs related to the audit...for the year ended June 30, 2009." (III.D-41) Audits for Proposition S and N found "no finding or questioned costs related to the audit." (III.D-42, III.D-43)

The college maintains the Mesa College Foundation, which is a 501c organization. Its financial statements revealed it to be in good standing. The foundation's portfolio value for the period ending March 31, 2010 was \$473,054.11. Full value of the Scholarship Fund, including the portfolio, is listed as \$726,436.15; the General Fund is listed as \$59,965.04 (III.D-44) An audit was performed on the financials for the years ending June 30, 2006 and 2007 by Caporicci & Larson, with the report dated July 27, 2009. The Foundation has acted upon recommendations made by the auditor, and a second audit is being conducted in spring, 2010. (III.D-69) The foundation was initially formed to provide scholarships for Mesa College students; however, in December, 2008, it expanded its mission to provide for broader purposes, including a capital campaign. (III.D-45)

Evaluation:

The District and College maintain strong fiscal practices in the areas of grants, financial aid, externally funded programs, and foundations.

The College meets this standard.

Standard III.D.2.e: All financial resources, including those from auxiliary activities, fund-raising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.

Description:

All financial resources, including those from auxiliary activities, fund-raising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the College. The Mesa College Foundation has been consistent with following its mission with integrity, and when the Foundation Board decided to expand its mission, it did so through proper procedures, which are detailed in Retreat Minutes for December, 2008. (III.D-45; III.D-70) The College is proceeding with expansion of its grant generating efforts and has established a formal office and reassigned grant writer to support this

work. The College works to provide compliance and support in becoming more entrepreneurial in its funding efforts.

The monies from the foundation and grants are used in a manner consistent with the mission and goals of the college, which were listed in III.D.1.a.

Evaluation:

The College acts with integrity and is consistent with its mission in these areas. The foundation awarded scholarships in the past three years, with an annual total of: 2006-2007: \$117,350; 2007-2008: \$87,350; and 2008-2009: \$91,950. (III.D-53) Grants have included the Bridges to the Baccalaureate program, which prepares underrepresented students for transfer to a four year institution and includes an eight week summer internship at University of California, San Diego, where the student conducts research. Another grant supports returning war veterans. The College also received a STAR/TRIO grant to help increase student success. The College is actively seeking grants in support of meeting its mission. The new Grants Office provides a process for grant application and administration that supports consistency and integrity aligned with the mission. (III.D-13)

The College meets this standard.

Standard III.D.2.f: Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution.

Description:

Contractual agreements with external entities are: (1) consistent with the mission and goals of the College; (2) governed by institutional policies; and (3) contain appropriate provisions to maintain the integrity of the College. Inherent in all levels of planning at the College are its mission, vision, values, and goals, which serve as the foundation for the Integrated Planning Process Linking Planning and Budgeting (III.D-17). The process for entering into external contractual agreements includes checks and balances to assure that agreements are consistent with the mission and goals of the College. Policy 6480 Grants states that the “Board of Trustees will be informed about all grant applications made and received by the District,” and directs the Chancellor to set the procedures for this. (III.D-55) Administrative Procedure AP 6480.1 Contract & Grant Administration, which was revised and approved by Chancellor’s Cabinet on September 22, 2009, provides these procedures, which include extensive requirements for both pre-award and post-award administration. (III.D-56) One such requirement included in the pre-award protocol is the review for programmatic merits, which requires that the Dean, Director, or Vice President overseeing the grant obtain approval from the campus oversight committee, which in the case of Mesa College is President’s Cabinet. This participatory council discusses each grant or application and assures that it is consistent with the College mission and goals, as it relates to the individual program or service area and the College. The proposal is then forwarded to the Director, Grants and Contracts, Instructional Services and to the Grants and Contracts Accounting

Supervisor, Business Services, where it is reviewed for content, budget impact, and District liability. Once approved to proceed by the Chancellor and Vice Chancellor of Business Services, the grant can be submitted to the granting authority. If the grant application is accepted, a second round of requirements must be met and overseen by the Vice President, Administrative Services, including acceptance of the grant by the Board of Trustees, and setting up the budget with Grants and Contracts Accounting. Clearly, this process assures that grants and in some cases contracts are consistent with College mission and goals, that procedures follow stated policy, and that the content of the grant is scrutinized to assure the integrity of the College.

Contracts are administered under BP 6330 Purchasing and Contract Services, which is consistent with Education Code Section 81656 and Public Contract Code 20650. (III.D-57) The Board delegates the authority to negotiate contracts on behalf of the District to the Vice Chancellor of Business Services and the Director of Purchasing and Contract Services. The Vice President, Administrative Services, assures that contracts are properly administered and follow Administrative Procedures including: AP 6330.3, Bids and Quotations; AP 6330.4, Developing Bid Specifications; AP 6330.5, Bids and Contracts; AP 6330.7, Contracts –Personal Services; AP 6330.8, Consultant Services; and AP 6330.9, Contracts –Electronic Systems and Materials. (III.D-58, III.D-59, III.D-60, III.D-61, III.D-62, III.D-63) It is clear from the breadth of procedures that the complexity of contract negotiation and administration is proactively managed in the best interests of the institution. Like the policy and procedures related to grants, the policy and procedures for contracts were recently reviewed and approved by Chancellor's Cabinet on September 22, 2009. Contract procedures are consistent with California Education Code 81641, 81651, 82363, 8803.1; Public Contract Code 20651; and Government Code 53060, according to type of contract. As with the protocol for grants, contracts are vetted through proper channels and discussion in the College's participatory governance structure to assure that they are in the best interest of the College and are consistent with its mission and goals.

Evaluation:

The College follows a strict and consistent protocol, established by the District, and implemented at the College, to assure that grants and contractual agreements are in the best interest and outcome of the institution. The Vice President, Administrative Services plays a pivotal role in achieving this goal. The Office of the Vice President, Administrative Services works closely with the District and College to assure that protocol is followed and that the process proceeds in a timely and proper manner. The creation of the new Grants Office and online form protocol assists the college in assuring that proper process is followed.

The College meets this standard.

Standard III.D.2.g: The institution regularly evaluates its financial management processes, and the results of the evaluation are used to improve financial management systems.

Description:

The District participates in annual external audits for all of its various functions, and it acts to maintain compliance with best practices. The District and College are fortunate to have a strong financial processes and practices.

Evaluation:

The College meets this standard.

Standard III.D.3: The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.

Description:

The College systematically assesses the effective use of financial resources and uses the results as the basis for improvement. The College accomplishes this through dialogue in the participatory governance committees that allocate resources and through President's Cabinet which approves all resource allocation.

Evaluation:

The College has been working on making its planning and resource allocation process more transparent and inclusive. The models that have evolved over the past five years have placed Program Review as the driving force behind the allocation of resources. In this way, funding is driven by those who are directly delivering instruction and services to students. The next step is formal assessment of these allocations, which "closes the loop" on funding outcomes and effectiveness. Examples of allocations for which the loop has been closed include the Matriculation Plan in the Division of Student Services, which addresses goals, funding, and outcomes, and was discussed in III.D.1.b.

Results of the 2009 Employee Perception Survey revealed the College's process to be a work in progress. Sixty percent of the respondents agreed or strongly agreed that college guidelines and processes for budget development are clearly communicated (Q78). Twenty-four percent were neutral on this. These responses indicate that the majority of employees understand how budget development takes place and that this process is adequately communicated to them by the college. However, only 48% of employees agreed or strongly agreed that they had adequate opportunity to participate in budget development through its shared governance processes (Q79). Twenty nine percent were neutral, and 24% strongly disagreed. Forty seven percent of employees agreed or strongly agreed that the resource allocation model equitably supports college programs and services; 35% were neutral (Q80). These last two questions are disconcerting. There is not a strong level of agreement that the respondents think they have the opportunity to participate in decision making, and they do not see the allocation of funds as equitably distributed to the programs and services. There could be

a variety of reasons why employees responded this way. The College needs to pursue this further, and determine why these practices are being perceived as they are. The College has come a long way in building its integrated planning and resource allocation model, but these responses indicate that there is more work to be done.

The College partially meets this standard.

Planning Agenda for Standard IIID: Financial Planning

The College has a long history of financial stability and during these troubled time, Mesa has continued to be proactive by assessing its needs and seeking alternative sources of funding. The Mission, Vision and Values statement along with an evolving integrated planning process will continue to guide the College through these turbulent waters. The College will continue its efforts to ensure that its constituents participate in financial planning and budget development.

The College has identified two recommendations within the scope of this standard and recommends:

1. Establishing methods to maintain the awareness of and to increase the participation in financial planning and the budget development process
2. Developing assessment tools to measure the success of these methods and then using the results for improvement.

Standard IIID Evidence
050410 version

III.D-1	SDCCD Adopted Budget, 2009-2010
III.D-2	San Diego Mesa College Budget Reductions Recap, dated March 2, 2010
III.D-3	Documentation of matriculation cut –past two years, by year
III.D-4	SDCCD College Productivity Report, Fall, 2009: http://research.sdccd.edu/Include/Enrollment-FTES/Productivity/Productivity_094_C1_v04.pdf
III.D-5	Documentation on SERP
III.D-6	Board Policy 6200 Budget Preparation
III.D-7	Board Policy 6205 Final Budget
III.D-8	Board Policy 6250 Budget Management
III.D-9	Board Policy 6300 Fiscal Management
III.D-10	Board Policy 6305 Business and Financial
III.D-11	Propositions S and N Campus Facility Master Plan Presentation, March 4 & 5, 2010: http://www.sdmesa.edu/facilities/pdf/forum-march2010.pdf
III.D-12	Bridges to the Baccalaureate Grant
III.D-13	Grants Office; presentation to President’s Cabinet, March 23, 2010
III.D-14	Basic Skills Budget
III.D-15	Priorities on IELM funding application and General Fund Unrestricted application
III.D-16	Integrated Planning Process
III.D-17	Integrated Planning Process Linking Planning with Resource Allocation
III.D-18	Faculty Hiring Priorities
III.D-19	Budget Development and Issues: 2007-2008 and 2008-2009: Campus Forums. Get this year’s forum also.
III.D-20	Program Review Handbook
III.D-21	Mission, Vision, Values and Goals Statements: http://www.sdmesa.edu/mission-statement/index.cfm
III.D-22	President’s Cabinet Retreat, 2008
III.D-23	President’s Cabinet Retreat, 2009
III.D-24	Focused Midterm Report, 2007
III.D-25	CTEA Committee
III.D-26	Deans’ Council
III.D-27	Budget Development Committee
III.D-28	Research Planning Agenda
III.D-29	District-wide Budget Development and Institutional Planning Committee
III.D-30	District Governance Council
III.D-31	Mesa College Educational Master Plan, 2007-2011
III.D-32	GASB 45 Actuarial Report for San Diego Community College District by Demsey, Filliger & Associates, dated March 27, 2007, for July 1, 2007 GASB 45 Valuation
III.D-33	San Diego Community College District Basic Financial Statements and

	Independent Auditors' Reports, for the year ended June 30, 2009; prepared by Caporicci and Larson
III.D-34	San Diego Community College District 2008-2009 Amended Budget: Summary of Future Prop S and Prop N Project Costs
III.D-35	San Diego Community College District Report to the Board of Trustees and Management, for the year ended June 30, 2009, prepared by Caporicci and Larson.
III.D-36	Chancellor's Update
III.D-37	Board Report
III.D-38	President's Town Hall Meetings on Budget, fall, 2009
III.D-39	San Diego Community College District Insurance Summary
III.D-40	San Diego Community College District Internal Services Fund
III.D-41	San Diego Community College District Auxiliary Organization, Basic Financial Statements and Independent Auditors' Report for years ended June 30, 2009 and 2008
III.D-42	San Diego Community College District Proposition S Bond Building Fund, Basic Financial Statements, Supplemental Information and Independent Auditors' Reports, for the year ended June 30, 2009; prepared by Caporicci and Larson
III.D-43	San Diego Community College District Proposition N Bond Building Fund, Basic Financial Statements, Supplemental Information and Independent Auditors' Reports, for the year ended June 30, 2009; prepared by Caporicci and Larson
III.D-44	Mesa College Foundation Financial Statement
III.D-45	Mesa College Foundation Minutes
III.D-46	Proposition S & N Citizens Oversight Committee: http://www.sdccdprops-n.com/members2.aspx
III.D-47	Proposition S & N website: http://www.sdccdprops-n.com/default.aspx
III.D-48	Proposition S & N Citizens Oversight Committee Finance and Audit Subcommittee Meeting Schedule: use tiny url
III.D-49	Proposition S & N Finance and Audit Subcommittee Minutes for October 29, 2009: use tiny url
III.D-50	Proposition S & N 2008 Annual Report: use tiny url
III.D-51	Budget to Actual Report for 2006-2007; 2007-2008; 2008-2009
III.D-52	San Diego Fiscal Trend Analysis 311: For Period FY2005-06 to 2009-10
III.D-53	Mesa College Foundation Scholarship Awards; per award list provided by Office of Student Affairs
III.D-54	FAST Scholars Program Grant Award for Foster Youth
III.D-55	BP 6480 Grants
III.D-56	AP 6480.1 Grants & Contract Administration
III.D-57	BP 6330 Purchasing and Contract Services
III.D-58	AP 6330.3 Bids and Quotations
III.D-59	AP 6330.4 Developing Bid Specifications
III.D-60	AP 6330.5 Bids and Contracts
III.D-61	AP 6330.7 Contracts –Personal Services

III.D-62	AP 6330.8 Consultant Services
III.D-63	AP 6330.9 Contracts –Electronic Systems and Materials
III.D-64	Matriculation Plan
III.D-65	EOPS Annual Budget Reports
III.D-66	DSPS Annual Budget Reports
III.D-67	Categorical Allocation Guidelines, Student Services
III.D-68	Major Events Approval Form and sample document for Annual Transfer Day
III.D-69	San Diego Mesa College Foundation Audit, Report to Board of Directors and Management for the years ended June 30, 2007 and 2006
III.D-70	San Diego Mesa College Foundation By-Laws (

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