



**ACCREDITING
COMMISSION
for COMMUNITY and
JUNIOR COLLEGES**

*Western Association
of Schools and Colleges*

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

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CORRECTED LETTER

February 7, 2014

Mr. Robert Frost, President
College of the Siskiyous
800 College Ave.
Weed, CA 96094

Dear President Frost:

In August the Commission notified the College of the Siskiyous that it was identified for additional financial review by the Financial Review Task Force. The report of the Financial Review Panel that resulted from this review of College of the Siskiyous is attached to this letter.

At its meeting of January 8-10, 2014 the Accrediting Commission for Community and Junior Colleges acted to direct that College of the Siskiyous provide a Special Report to the Commission by **April 15, 2014**.¹ This report will be followed by a visit from a team of Commission representatives.

The purpose of this Special Report is to provide more current information to the Commission about the College's compliance with Accreditation Standards. The report must address the required elements of the Financial Review Panel Report noted below:

- 1) **Develop a long range budget plan to resolve OPEB financing.** Standards 3.D.1.c. and 3.D.3.c. require the institution to plan for short and long range liabilities.
- 2) **Provide additional information as it relates to loan default rates.** Standard 3.D.3.b. requires the institution to maintain effective oversight of the financial aid program.
- 3) **Provide a description about what your institution is doing to address declining enrollments.** Standard 3.D.1.b. requires that planning reflects a realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.
- 4) **Develop a cash flow plan for the next three years.** Standard 3.D.3.a. requires that the institution have sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and develop contingency plans to meet financial emergencies and unforeseen occurrences.

Mr. Robert Frost, President
College of the Siskiyous
February 7, 2014

The report should be sent electronically to the Commission office no later than April 15, 2014. The Special Report should include a narrative, evidentiary documents, and other supporting documentation relevant to the report. The ACCJC publication, *Guidelines for Preparing Institutional Reports to the Commission*, explains the presentation of reports to the Commission. The Commission values brevity and clarity in these reports.

The Commission will consider the College's Special Report at its meeting June 4-6, 2014. If the conditions warrant, the Commission may act on the accredited status of the College. Please do not hesitate to contact Associate Vice President Norv Wellsfry (nwellsfry@accjc.org) if you have questions.

Sincerely,



Barbara A. Beno, PhD
President

BAB/tl

¹ Institutions preparing and submitting Midterm Reports, Follow-Up Reports, and Special Reports to the Commission should review *Guidelines for the Preparation of Reports to the Commission*. It contains the background, requirements, and format for each type of report and presents sample cover pages and certification pages. It is available on the ACCJC website under College Reports to ACCJC at: (<http://www.accjc.org/college-reports-accjc>).

College of the Siskiyous

FINANCIAL REVIEWER PANEL REPORT

FINANCIAL REVIEW PANEL MEETING DATE: September 12-13, 2013

The Financial Reviewer Panel recommendation to the Accrediting Commission for Community and Junior Colleges is:

- Continue under regular monitoring
- Provide a Special Report to the Commission (purpose noted below)
- Provide a Special Report to the Commission to be followed by a visit from Commission representatives (purpose noted below)

Required Elements to be addressed in the College of the Siskiyous Special Report:

- 1) **Develop a long range budget plan to resolve OPEB financing.** Standards 3.D.1.c and 3.D.3.c require the institution to plan for short and long range liabilities. The district is not meeting the Annual Required Contribution (ARC) amount. The pay-as-you-go method is being used which is significantly lower than the ARC. A liability continues to grow on their audited financial statements that could impact their ability to borrow funds in the future. The district funded an external trust as of June 30, 2009, but it does not appear that additional contributions have been made.
- 2) **Provide additional information as it relates to loan default rates.** Standard 3.D.3.b. requires the institution to maintain effective oversight of the financial aid program. Per review of the Federal Student Aid databases on default rates, there have been increases in defaults over the last several years. Provide the procedures that the college has developed to mitigate high default rates.
- 3) **Provide an enrollment management plan as it relates to declining enrollment.** Standard 3.D.1.b. requires that planning reflects a realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements. The district has been in declining enrollment per review of the Annual Fiscal Report. This decline has exceeded the workload reduction necessitated by the state and the district is currently in stability.
- 4) **Develop a cash flow plan for the next three years.** Standard 3.D.3.a. requires that the institution have sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and develop contingency plans to meet financial emergencies and unforeseen occurrences. The state budget has impacted cash flows with increased inter and intra year deferrals. The college reported general fund cash balances at June 30, 2012 of \$338,626 per the CCFS 311. This balance is not sufficient to pay for one month of payroll obligations. The college has done the appropriate work for issuing TRANs as necessary to manage cash during the year. Additional deficit spending will eliminate all available cash in the general fund.

Data Examined for this report:

Annual Financial Report: 2009-10 X ; 2010-11: X ; 2011-12: X

Audited Financial Statements: 2011-12; 2010-11

Other Data Reviewed: CCFS 311 2012 Master report; Fiscal Data Abstract for the period 2008-09 through 2012-13; Exhibit C 2011-12 Apportionment Report P-2; Federal Student Aid databases on default rates

Issues and elements identified that are related to the financial condition and challenges of this institution:

None other than those noted above.