



EL CAMINO COMMUNITY COLLEGE DISTRICT

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Via Email and Fax

August 21, 2015

Joint Legislative Audit Committee
Mike A. Gipson, Chair
1020 N. Street, Room 107
Sacramento, CA 95814

Dear Committee Members:

This letter is in response to the request for the “State Auditor to conduct an audit related to the Compton Community College District and the El Camino College Compton Community Education Center”. While we take no issue with the request for another audit, we do have serious concerns regarding the timing of this request.

In March 2015, the El Camino College Compton Center was approved for Accreditation Eligibility by the Accrediting Commission for Community and Junior Colleges (ACCJC). This milestone is the first step in accomplishing our final and most paramount goal – a fully accredited community college within the Compton Community College District.

Following the ACCJC’s Accreditation Eligibility approval, El Camino College received a letter from the ACCJC outlining the timeline for the process to achieving full accreditation for the Compton Center. The letter with the timeline is available [here](#).

(www.elcamino.edu/administration/vpaa/accreditation/LetterReaffirmingEligibilityforComptonwithTimelinesandPolicyonCommissionActions-June172015.pdf)

The aggressive timeline for the “Institutional Self Evaluation Report” does not afford the Compton District and El Camino College administration and staff the time to complete a State Audit simultaneously. The process to accreditation is itself a full-time job above and beyond all of our regular full-time daily work and requires all staff and resources.

If we are to proceed with a State Audit at this time, we will unfortunately be forced to request the ACCJC delay the next stage of the accreditation process until the State Audit is completed. The Accreditation Candidacy timeline is solely determined by the ACCJC. We do not know what impact a request for a delay at this stage would have on our progress to accreditation.

The administration welcomes the opportunity to share with you how the communities served by the Compton Community College District continue to have access to quality educational opportunities. Please note that the information outlined in the scope of the audit request already exists, and is made available to the public on a routine basis.

The addendum includes information and links to various documents relative to our activities and progress at the El Camino College Compton Center.

Thomas M. Fallo
Superintendent President

Thomas E. Henry
Special Trustee, CCCD

Keith Curry
Provost/CEO

**Addendum to Letter regarding the JLAC Consideration of a State Audit of the Compton Community College District and El Camino College Community Education Center.
August 21, 2015**

As follow up from the Joint Legislative Audit Committee (JLAC) Hearing on the Compton Community College District/El Camino College Compton Center, the districts are pleased to provide the following information relative to the partnership and progress made since 2006. The administration welcomes the opportunity to share with you how the communities served by the Compton Community College District (CCCD) continue to have access to quality educational opportunities, as well as to provide you with an accounting for how the public's resources are being utilized. A three year report on the progress of the El Camino College Compton Center from 2011-2014 is available on the Web:
<http://www.elcamino.edu/administration/publicrelations/docs/CEC-Three-Year-Report-2014.pdf>

Fiscal Accountability

The Compton District undergoes three different fiscal audits every year, as outlined below.

Each year since the partnership began, the Compton District has undergone an annual financial audit conducted by an independent, external auditing firm. The auditing firm is required to conduct its audits in a manner consistent with both federal accounting standards and the California Community Colleges Board of Governor's audit requirements. The most recent audit covers the fiscal year ending June 2014. From at least 2004 through 2007, the Compton District's financial audit included a qualified opinion and/or going concern issue. The 2014 audit contains zero findings. All audits are public records that are routinely posted on the Compton District website and available via the Provost/CEO's Office at the CCCD. (http://www.district.compton.edu/district_budget/audits/index.asp) In addition, these independent and external audit report findings and recommendations are always presented and discussed at a regular scheduled public board meeting. The elected Governing Board of the Compton Community College District receives for comment and input all fiscal audits and reports at regularly scheduled board meetings. The State Chancellor's Fiscal Division consistently reviews these audit reports at the State level and the appointed State Special Trustee monitors the adherence and progress of any audit recommendations. The statutorily appointed Special Trustee Advisory Committee also reviews and comments on all significant fiscal documents including the external audit and bond audit.

The District also recently completed the annual independent, external Compton District Bond Fund audit. This audit is also conducted by an independent, external auditing firm. This firm must meet the same accounting standards as the annual financial auditing firm. The Bond audit and District financial audits are routinely conducted by two totally separate and independent auditing firms. This audit and the findings/recommendations are presented at the District's public board meeting for review and discussion.

The most recent Measure C Facilities Bond audit is for the fiscal year ending 2014. All Facilities Bond audits may be found on the Compton District website, along with the Annual Report to the community, which was presented to the Board of Trustees at the July 2015 board meeting by the chair of the Citizens' Bond Oversight Committee. All Citizens' Bond Oversight Committee Annual Reports are posted on the Compton District website: http://www.district.compton.edu/measure_cc_bond/index.asp

In order to protect the public's investment in the CCCD's recovery, the Legislature has required oversight by the State's independent Fiscal Crisis and Management Assistance Team (FCMAT), among other strategies. This is consistent with how other school and college districts in financial distress have

been assisted. This method of fiscal accountability and monitoring has proven successful over a considerable period of time. A national examination of State intervention by Rutgers University, pointed to FCMAT as having the “best practices” in the nation, relative to State intervention in local educational agencies. In August 2003, Assemblymember Goldberg requested a performance and financial audit of FCMAT, including a review of the prescribed roles and responsibilities assigned to FCMAT in connection with school districts requesting emergency loans from the State. The Bureau of State Audits released its report in June 2004. The audit report concluded that FCMAT’s recommendations, if implemented, should help financially troubled school districts.

In 2006, AB 318 (Dymally) allocated a \$30 million ‘line of credit’ to the Compton District in order to keep the site open to allow a fully accredited college to provide academic programs and student support services to the residents of the CCCD. To date, \$17.8 million has been drawn against the line of credit. Funds from the line of credit are only used for the purposes designated in law. Beginning with the 2011-12 fiscal year, no funds have been drawn against this line of credit. The CCCD does not plan to utilize any funds from the remaining balance on the line of credit. The CCCD has a specific plan for paying the funds back to the state. So far \$4.7 million have been paid back to the state; leaving a remaining balance of \$13.1 million.

In 2006, as part of the agreement between the California Community Colleges Chancellors Office, the El Camino Community College District and the CCCD, the State determined that the El Camino District would be appropriated \$4 million on an annual basis in the following manner: \$1 million for costs associated with having a Center (El Camino College Compton Educational Center); and \$3 million for the total number of Full-Time Equivalent Students (FTES) the El Camino Community College District is serving. Currently, the El Camino College Compton Center generates approximately one-fourth of the total FTES generated by all El Camino College classes at both locations (Compton and Torrance). Accordingly, from the \$4 million annual State appropriation, El Camino College allocates \$1 million to fund programs and services specifically for the ECC Compton Center. These allocations are outlined on the “Fund 14” and “Fund 15” sections of the ECCCD Annual Budget Book:

http://www.elcamino.edu/administration/board/agendas/2014/2014-15_ECCD_Final_Budget.pdf and http://www.elcamino.edu/docs/Summary-of-Allocations_Fund14_ComptonCenter_FY2014-15.pdf

Local Governance

FCMAT representatives most recently visited the Compton District in spring 2015 to conduct their annual review of all District matters, including fiscal and governance areas. This most recent FCMAT Comprehensive Assessment Report dated August 2015, includes many accolades for progress made in the areas under review. The report also noted, “FCMAT continues to anticipate that the Compton CCD, with the assistance of its partner, the El Camino CCD, and the special trustee will continue to make the progress necessary for an eventual return to local governance.” The August 2015 FCMAT report is available here: <http://www.district.compton.edu/docs/Compton-CCD-final-9th-progress-report-08-13-2015.pdf>

Effective July 1, 2015 the Compton District elected board members began the next step to local control. Board members now sit at the dais during board meetings. They make and second motions; discuss policy issues; and provide an advisory vote on every action item to the special trustee. Even prior to the important step, the elected board has since 2009, engaged in discussion on board items and provided input to the special trustee.

Impact on Process to Achieving Full Accreditation for ECC Compton Center

In March 2015 a significant occurrence took place - El Camino College submitted the Eligibility Application for Accreditation for the Compton Center. In May we received notification from the Accrediting Commission for Community and Junior Colleges, approving the eligibility application and providing a timeline for the next steps to accreditation candidacy.

(<http://www.elcamino.edu/administration/vpaa/accreditation/LetterReaffirmingEligibilityforComptonwithTimelinesandPolicyonCommissionActions-June172015.pdf> and

<http://www.elcamino.edu/administration/vpaa/accreditation/doc/Process-Accreditation-March2015.pdf>)

The Provost/CEO and Vice President for the Compton Center will lead the accreditation process.

The District appreciates the opportunity to reassure you that progress has been, and continues to be made through the current partnership with the El Camino Community College District. The students, faculty, staff and community of the Compton District have benefited greatly by the educational programs and services provided by the El Camino College Compton Center.

The timeline outlined in the ACCJC's letter has put us on a fast track to the next step in returning a fully accredited college to the communities served by the Compton CCD. Devoting staff time and resources to a State audit would only serve to delay the timeline for accreditation candidacy, and further delay the ultimate goal of a fully accredited college serving the Compton CCD.

Transparency and Community Outreach

The Provost/CEO provides regular updates to the community regarding District activities, including progress on financial and facilities matters. He hosts and/or attends community roundtable meetings throughout the CCCD; and has routinely spoken at numerous service club, chamber of commerce and city council meetings around the entire district. The presentation provided at these community meetings is available on the website: <http://www.district.compton.edu/administration/docs/CCCD-Roundtable-2013.pdf> The ECC Compton Center mails a community newsletter and update report (three year report) <http://www.elcamino.edu/administration/publicrelations/docs/CEC-Three-Year-Report-2014.pdf> to every resident of the CCCD twice per year. All community newsletters are available here:

<http://www.compton.edu/adminandoperations/publicrelations/community-newsletter-archive.aspx>.

Additionally, all ECC Compton Center and CCCD news releases are routinely emailed to all local media and all local, state and federal elected officials.

<http://www.compton.edu/campusinformation/currentnews/ComptonCenterNewsReleases.aspx> and

<http://www.district.compton.edu/news.asp>

As the State's Special Trustee, Mr. Thomas E. Henry, provides updates to the State Chancellor and the California Community Colleges Board of Governors (BOG). The most recent update was provided by the Special Trustee, the Provost/CEO and the ECC Compton Center VP at the March 2015 BOG meeting. <http://www.3cm mediasolutions.org/services/CCC-Board-of-Governors/archive/mar2015>

We submit that the State Chancellor's exercise of fiduciary responsibility through the Special Trustee, the State's Fiscal Crisis and Management Assistance Team, and the State's required independent, external auditor provides ample independent scrutiny and protection of the State's resources.

Thank you again for your interest in the Compton CCD and the students who benefit from the programs and services offered at the Compton Center. Please know that quality instruction, educational mission, fiscal stability and keeping the doors to higher education open at the Compton District site is paramount to all involved with this partnership.