



California Community College Accreditation

Colleges Are Treated Inconsistently and Opportunities Exist
for Improvement in the Accreditation Process

Report 2013-123

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June 26, 2014

2013-123

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As requested by the Joint Legislative Audit Committee, the California State Auditor (state auditor) presents this audit report concerning the accreditation process of California's community colleges. This report concludes that inconsistent application of the accreditation process and a lack of transparency in that process, are weakening the accreditation of California's community colleges. In July 2013 the commission notified the City College of San Francisco (CCSF) of its decision to terminate the college's accreditation after allowing it only one year to come into compliance with accreditation standards. However, the commission could have taken a less severe course. In comparison, between January 2009 and January 2014, the commission allowed 15 institutions to take two years to comply with accreditation standards and allowed another six institutions to take up to five years to come into compliance. Further, according to federal regulations, the commission has the ability to extend CCSF's time period beyond the one year it provided or even the two-year maximum for good cause. In January 2014 the San Francisco Superior Court granted a request for an injunction preventing the commission from terminating the college's accreditation pending further court order or the outcome of a lawsuit filed by the city attorney of San Francisco. A trial is currently scheduled for October 2014, and the injunction does not prohibit the commission from reversing its decision to terminate CCSF's accreditation.

The commission's decision regarding CCSF's accreditation raises concerns about its reasoning for taking such a severe action. Although the commission's policies describe its obligation to provide transparency in accreditation, the commission conducts its most significant decision making regarding an institution's accreditation status in closed sessions. A significant minority—38 percent—of college executives responding to a survey we conducted also felt the commission's decision-making process was not adequately transparent. Some suggested opening the process to the public, while others suggested allowing the college executive to be present for the deliberations on his or her institution. Further, although institutions are allowed to appeal a commission decision to terminate accreditation, the appeal process does not provide an institution with a definitive right to introduce new evidence as part of its appeal and such a limitation could be detrimental to an institution that has made progress in addressing deficiencies in the time following the commission's termination decision. We also found that the commission sanctions—an action taken when an institution has not met the commission's standards—California's community colleges at a significantly higher rate than any of the six other regional accreditors in the nation. Although the commission is the only entity currently authorized to accredit California's community colleges, options exist that could allow for greater choice, provided the State modifies its regulations to allow for additional accreditors. Finally, the California Community Colleges Chancellor's Office could improve its monitoring of community colleges to identify institutions that might be at risk of receiving a sanction—or worse—from the commission.

Respectfully submitted,



ELAINE M. HOWLE, CPA
State Auditor

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Summary

Results in Brief

To ensure educational quality in the United States, the federal government has established a system of independent accreditation for institutions of higher education. The U.S. Department of Education (USDE) formally recognizes accreditors that it determines meet criteria in federal law and regulations to ensure that they are reliable authorities regarding the quality of education offered by the institutions they accredit. For example, federal law requires accreditors to develop standards that the institutions they accredit must follow. Federal law also requires that any school receiving federal funds—for example, Pell Grants or Direct Student Loans—must have accreditation from an accreditor that USDE recognizes. There are seven regional accreditors across six regions. In California, part of the Western region, which includes Hawaii and other Pacific islands, the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission) accredits two-year institutions, and the WASC Senior College and University Commission accredits four-year institutions. State regulations specify the commission as the accreditor for the State's 112 two-year public institutions. The commission is a nonprofit corporation whose membership is composed of representatives of accredited community colleges.

When an accredited institution does not comply with its accreditor's standards, federal regulations require the accreditor to terminate that institution's accreditation or to allow the institution up to two years to come into compliance—more if the accreditor has good cause to extend that time frame. When the commission finds an institution out of compliance, according to its policies the commission will place the institution on one of three sanction levels: warning; probation; or show cause, the most severe sanction. Regardless of the sanction level, an institution on sanction must address, within a specified time frame, those areas where the commission has determined it is out of compliance.

In July 2013 the commission notified City College of San Francisco (CCSF) of its decision to terminate the college's accreditation after the college had been on a show cause sanction for only one year, despite the opportunity to give the college more time. This action was inconsistent with the commission's treatment of other institutions during our audit period. Between January 2009 and January 2014, 49 California community colleges both received and were able to address their sanctions from the commission. Fifteen of these institutions took the full two years that regulations allow, and the commission allowed six more institutions to take more than

Audit Highlights . . .

Our audit of the accreditation process of California's community colleges highlighted the following:

- » *The Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission) was inconsistent in applying its accreditation process.*
 - *It decided to terminate City College of San Francisco's (CCSF) accreditation after allowing only one year to come into compliance even though it could have given the college more time.*
 - *It allowed 15 institutions to take two years to come into compliance and allowed another six institutions to take up to five years to reach compliance.*
- » *The commission's deliberations regarding an institution's accreditation status lack transparency.*
- » *The appeal process of the commission does not allow institutions a definitive right to provide new evidence—a limitation that may be detrimental in showing the progress made in addressing deficiencies.*
- » *The commission sanctions community colleges at a higher rate than the six other regional accreditors in the nation.*
- » *Options exist that may allow community colleges to choose an accreditor other than the commission.*
- » *The California Community Colleges Chancellor's Office could improve its monitoring of community colleges to identify institutions at risk of receiving a sanction.*

two years and up to five years to resolve their sanctions. Further, the commission decided to terminate CCSF's accreditation even though the college had, with the cooperation of the California Community Colleges Chancellor's Office (chancellor's office), retained the services of an external regulator; according to the commission, employing an external regulator is one of the criteria that can justify an extension to an institution's time to come into compliance. In addition, the commission continues to have the ability to extend CCSF's time to address deficiencies, as the commission is not restricted from reversing a decision to terminate accreditation.

Further, the commission conducts deliberations on the accreditation status of institutions in closed session, which could cause the public to question the integrity and credibility of the process. Although the commission is not bound by state or federal open-meeting laws, more than 80 percent of the institutions it accredits are public community colleges in California, which are subject to such laws and thus accustomed to operating in an atmosphere of transparency. In fact, some community college presidents, superintendents, and chancellors (college executives) have expressed concerns regarding the commission's transparency. We surveyed the college executive at each of the 112 California community colleges. Overall, 62 percent of survey respondents felt the commission's decision-making process regarding accreditation was appropriately transparent; however, a significant minority—38 percent—did not. Some college executives suggested that the commission should conduct its deliberations in public and others suggested the commission's deliberations should be open specifically to the college executive of the institution under accreditation consideration. Also, we noted that the institutions that had staff members serving as commissioners were less likely to receive sanctions. Only two California community colleges of 14 that had members on the commission between January 2009 and January 2014 received a sanction during their respective commissioner's tenure. Without open meetings, community colleges cannot be sure of the commission's reasoning for its decisions and this could lead to public skepticism about the commission's equity and consistency.

In addition, the commission's appeal policy does not provide institutions appealing the commission's decision to terminate accreditation with a definitive right to have new evidence considered as part of its appeal. CCSF is the first institution to go through the appeal process and filed its appeal in March 2014. Federal regulations require that accreditors have an appeal process by which an institution that is losing its accreditation may appeal the decision to a panel of individuals who were not involved in the decision to terminate accreditation. While the commission's process meets federal requirements, it does not expressly give

an institution the right to introduce evidence of the progress it has made to address deficiencies that served as the basis for the original decision. Such a limitation could be detrimental to an institution that has made progress in addressing deficiencies in the period following the commission's decision to terminate accreditation. As the purpose of accreditation is to ensure quality among higher education institutions, and given the amount of time that passes between a decision to terminate accreditation and when an institution would file an appeal—nearly nine months in the case of CCSF—we would expect the commission's appeal process to allow institutions to describe any additional changes they have made to address the commission's recommendations. In fact, the consideration of such new evidence is exactly what will be happening as a result of the hearing panel's decision announced by the commission in June 2014.

Further, while we identified some concerns with the commission's policies and processes for accreditation, USDE also cited certain concerns with the commission's evaluation teams. In order to assess whether an institution meets its standards, the commission brings together a team of volunteers including administrators and faculty—institutional peers—from institutions throughout the commission's region to visit and review information from the institution. At the end of its visit, the evaluation team creates a report, with recommendations to the institution, and the commission will consider the results of the report in its decision making regarding the institution's accreditation. In August 2013 USDE reported that the commission placed the spouse of the commission's president on an evaluation team, noting that this action created the appearance of a conflict of interest. In October 2013 the commission revised its conflict-of-interest policy to explicitly prohibit relatives of commissioners and staff, such as the president, from serving on evaluation teams. Further, USDE found that the commission was not ensuring adequate representation of faculty on its evaluation teams, noting that the commission had appointed just one faculty member to each of the teams that evaluated CCSF in March 2012 and April 2013, which consisted of eight and 16 individuals, respectively.

Beyond our concerns with the commission's consistency and its policies, we noted that the commission also sanctions its institutions at a much higher rate than do the other six regional accreditors. Between 2009 and 2013, the commission took 269 accreditation actions—which included reaffirming accreditation, sanctioning an institution for noncompliance, or acting to terminate accreditation—on its member institutions and issued 143 sanctions, a sanction rate of roughly 53 percent. By comparison the other six regional accreditors together had a sanction rate of just over 12 percent. It appears that the State's

community colleges themselves have some responsibility for the high sanction rate. In our survey, 88 percent of the college executives responding felt that the commission's recommendations were reasonable, meaning that the commission appropriately identified issues and concerns and that the commission's recommendations related to the issues identified. Two other factors also contributed to these higher sanction rates. The commission has more levels of sanction—three as opposed to one or two at the other regional accreditors—and a shorter accreditation cycle—six years as opposed to seven to 10 years at the other regional accreditors. However, the fact that the commission does not provide institutions with feedback on their self-study that occurs before a comprehensive evaluation—a practice that some of the other regional accreditors engage in—may have an even greater impact on its high sanction rates because institutions do not have the opportunity to address any commission concerns before a comprehensive accreditation review from an evaluation team.

The commission is currently the only entity authorized by state regulation to accredit California's community colleges, but options exist that could allow colleges more choices for accreditation. State regulations currently require that California community colleges receive accreditation only from the commission. However, other accreditors could apply to USDE to expand their scopes of operation to include California community colleges. Finally, it may be possible for the Legislature to encourage the establishment of a new accreditor in California, although a new accreditor would require funding. Such a move would involve some risk as any new organization would have to meet all federal requirements—and have accredited institutions for at least two years—before being eligible for recognition from USDE. Regardless, as long as the State continues to name the commission as the sole accreditor for California community colleges, such choices are not possible.

In addition, the chancellor's office could improve its monitoring of community colleges to identify institutions that might be at risk of receiving a sanction from the commission. The chancellor's office, pursuant to authority delegated to it by the Board of Governors of the California Community Colleges, oversees various aspects of the community college system, which includes developing minimum standards for institutions to receive state aid. According to the deputy chancellor, due to resource constraints the chancellor's office conducts limited monitoring to ensure that institutions are meeting the minimum standards the office sets. However, the office does not perform on-site monitoring of institutions because it does not have the staff to conduct such activities. He stated that instead, the office has had to focus on those institutions facing significant fiscal issues and rely on community college districts to complete a self-assessment checklist, which is not an independent review of the

institution. Although the deputy chancellor explained that the fiscal year 2014–15 budget includes new positions for the chancellor’s office and the office plans to develop indicators to detect when a college is struggling, it is too soon to tell whether such steps will have a positive effect on accreditation.

Although accreditation requires an investment of time and money, it helps institutions improve and allows students to receive federal financial aid. Over the last five years the four institutions we reviewed spent more than \$500,000 in payments to the commission for annual membership dues and fees. In addition, certain faculty and staff spend time on activities pertaining to accreditation and two institutions entered into contracts with special trustees to address deficiencies the commission had identified. Further, college executives at the four institutions we visited stated that accreditation helps the institutions identify areas for improvement. Also, according to federal law, institutions and the students they serve cannot receive federal funds, such as federal Pell Grants, unless the institutions are accredited by a federally recognized accreditor, such as the commission. According to its annual financial reports for fiscal years 2008–09 through 2012–13, CCSF disbursed a total of almost \$154 million in awards under the federal Pell Grant Program, which provides grants to undergraduate students with demonstrated financial need. Finally, despite some controversy surrounding their adoption, the four institutions we visited have used student learning outcomes to identify needed improvements to college courses.

We direct our recommendations to the chancellor’s office because the commission is a nonprofit corporation which is governed by federal law and subject to the oversight of USDE. To better protect the State’s interests in accreditation and to improve the accreditation process, many of our recommendations prompt the chancellor’s office to engage the commission on behalf of the State’s 112 community colleges.

Recommendations

To ensure that colleges receive consistent and fair treatment and are able to address deficiencies, the chancellor’s office should work with the community colleges and request clearer guidance from the commission regarding what actions would allow for the full two-year period in which to remediate concerns and what actions would constitute good cause for extending the time an institution has to address deficiencies beyond two years. In doing so, the chancellor’s office should also encourage the commission to specify

in its policies those scenarios under which it would find good cause so that institutions would have a better understanding of when they might reasonably expect additional time to address deficiencies.

To ensure that community colleges and the public are fully informed regarding the accreditation process, the chancellor's office should assist community colleges in communicating their concerns to the commission regarding its transparency and in developing proposals for improving the commission's transparency policies and practices.

To make certain that institutions receive fair treatment in appealing decisions that terminate their accreditation, the chancellor's office should work with the community colleges to advocate that the commission change certain aspects of its appeal process. Specifically, in keeping with the spirit of accreditation, when institutions have taken steps to correct deficiencies that led to the decision to terminate accreditation, the institutions should be allowed to have information on those corrections heard as evidence in their appeal.

To strengthen institutions' understanding of what they must do to comply with standards and to provide them with the opportunity to address certain issues that could jeopardize their compliance, the chancellor's office, in collaboration with the community colleges, should encourage the commission to develop formal opportunities for institutions to communicate with and receive feedback from the commission on institutional self-studies and other reports before a formal evaluation takes place. In doing so, the chancellor's office should consider the practices of other regional accreditors and identify those that would best meet the needs of California's community colleges.

To allow community colleges flexibility in choosing an accreditor, the chancellor's office should:

- Remove language from its regulations naming the commission as the sole accreditor of California community colleges while maintaining the requirement that community colleges be accredited.
- Identify other accreditors who are able to accredit California community colleges or who would be willing to change their scope to do so.
- Assess the potential costs, risks, and feasibility of creating a new independent accreditor.

The chancellor's office should monitor community colleges for issues that may jeopardize accreditation. To the extent that the chancellor's office believes it needs additional staff to accomplish this task, it should develop a proposal for the fiscal year 2015–16 budget cycle that identifies the specific activities it would undertake to find and correct issues that could lead to sanctions of the community colleges and identify the staffing level needed to conduct those activities.

Agency Comments

The chancellor's office stated that it generally concurs with our report's findings and recommendations. However, the chancellor's office disagreed with one of our recommendations related to allowing colleges flexibility in choosing an accreditor. Although we did not direct recommendations to the commission, it submitted a written response asserting that our report is generally inaccurate and incomplete. However, it provided no context or evidence to support its assertion.

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Introduction

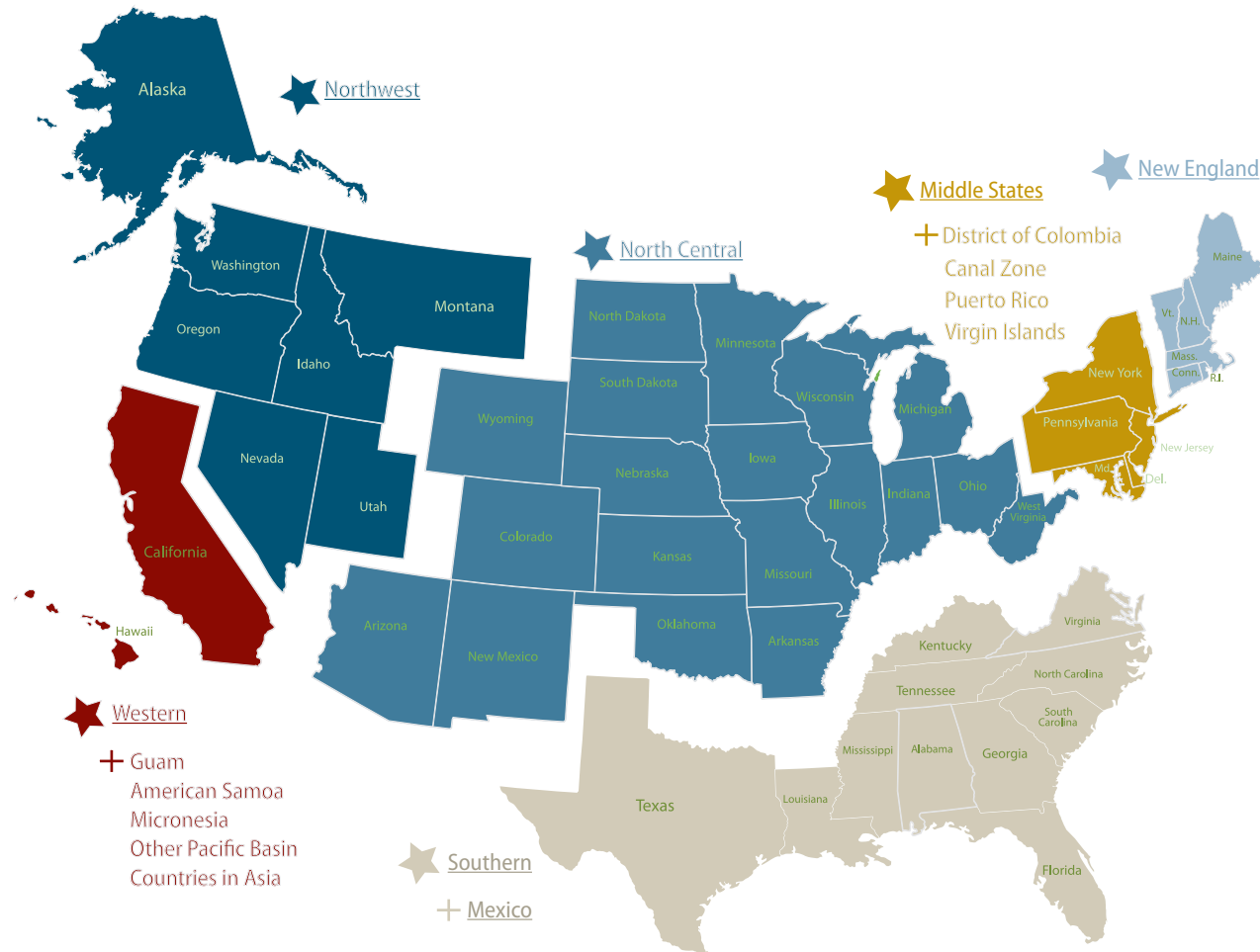
Background

The California community college system is the largest system of higher education in the nation, according to the California Community Colleges Chancellor's Office (chancellor's office), with 2.4 million students attending 112 colleges. The Board of Governors of the California Community Colleges (board of governors) is charged with providing leadership and direction over the system. The board of governors appoints a chief executive officer, known as the chancellor of California's community colleges. Additionally, according to the chancellor's office, the system has 72 community college districts, each with its own locally elected board of trustees charged with the operations of the local colleges.

State regulations require each college to be an accredited institution and to be accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission). According to the commission, accreditation is a voluntary system of self-regulation developed to evaluate overall educational quality and institutional effectiveness. The commission states that its accreditation process provides assurance to the public that the accredited member colleges meet certain standards; that the education earned at the institutions is of value to the students; and that employers, trade or profession-related licensing agencies, and other colleges and universities can accept students' credentials as legitimate. Further, accreditation is one of the requirements for community colleges to be eligible to receive state funding and federal aid, including grants for students.

According to the U.S. Department of Education (USDE), most institutions attain eligibility for federal funds in part by being accredited by a federally recognized accreditor, and USDE maintains a list of recognized accrediting agencies. USDE recognizes many agencies that accredit educational institutions, including regional accreditors that focus on two- and four-year institutions. According to the Council for Higher Education Accreditation, as of 2011, seven regional accreditors accredited 3,050 public and private, mainly nonprofit and degree-granting two- and four-year institutions. In the Western region—which includes California, Hawaii, and other Pacific islands—separate accreditors review two- and four-year institutions. Figure 1 on the following page provides a map of the six regions and the accreditors for each region.

Figure 1
Regional Accrediting Agencies



Sources: The Community College Association and commissions' Web sites.

- ★ Northwest: Northwest Commission on Colleges and Universities
- ★ Western: Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges
- ★ Western: WASC Senior College and University Commission
- ★ North Central: North Central Association of Colleges and Schools, the Higher Learning Commission
- ★ Middle States: Middle States Commission on Higher Education
- ★ New England: New England Association of Schools and Colleges, Commission on Institutions of Higher Education
- ★ Southern: Southern Association of Colleges and Schools, Commission on Colleges

To receive recognition from USDE, accreditors must meet a number of requirements found in federal law and regulations. For example, accreditors must have a voluntary membership of institutions of higher education; must apply and enforce standards for accreditation that are widely accepted in the United States by educators, educational institutions, and relevant others; and must be separate and independent from related trade associations or membership organizations. USDE requires that accreditors apply for recognition at least every five years. USDE renewed the

commission's recognition in January 2014, but it identified 15 issues the commission must address by January 2015 in order for USDE to continue the commission's federal recognition. We describe those issues applicable to our audit in Chapter 1.

The Commission

The commission is a nonprofit corporation. It consists of 19 commissioners, as well as nine staff that include the commission's president. The commission's bylaws require that commissioners come from a variety of institutions and backgrounds, such as one from the chancellor's office, at least five faculty, and at least three representatives of the public. Each of the institutions the commission accredits is a member of the commission. Member institutions vote to select the commissioners, who are elected for three-year terms.

According to the commission's audited financial statements for the fiscal year ending June 2013, it had expenditures of about \$4 million and revenues of about \$4.3 million. The majority of its revenues came from membership dues. The commission's dues are based on the enrollment at each college: for the 2013–14 fiscal year, dues ranged from \$6,047 for institutions with enrollment of one to 499 students to \$32,253 for institutions with enrollment of 40,000 and over. For example, according to data from the chancellor's office, City College of San Francisco (CCSF) had a student population of about 50,100 and Cuesta College (Cuesta) had a student population of about 9,400 in the fall of 2013. In fiscal year 2013–14, the commission charged CCSF \$32,253 in dues, while it charged Cuesta \$17,137. Dues support the operation of the commission and its nine staff.

Eligibility Requirements, Accreditation Standards, and Commission Policies

Federal regulations require that accreditors have standards that are sufficiently rigorous to ensure that the accreditors are reliable authorities regarding the quality of the education or training the accredited institutions or programs provide. The standards must effectively address the quality of the institution or programs with respect to a variety of areas, including student achievement, curricula, faculty, student support services, and a record of compliance with the accredited institution's responsibilities related to federal aid. In addition, regulations provide the commission with discretion to set, with the involvement of its members, other standards.

Summary of the Four Broad Categories of the Standards of the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges

- I. **Institutional Mission and Effectiveness.** Includes standards related to an institution's mission and standards related to improving institutional effectiveness, such as measuring student learning and the institution's progress toward achieving stated goals.
- II. **Student Learning Programs and Services.** Includes standards related to instructional programs and student, library, and learning support services.
- III. **Resources.** Includes standards related to an institution's effective use of human, physical, technology, and financial resources.
- IV. **Leadership and Governance.** Includes standards related to decision-making roles and processes and board and administrative organization.

Source: Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges' *Accreditation Reference Handbook*, July 2013.

All institutions seeking accreditation by the commission must meet the commission's 21 eligibility requirements for accreditation. These *eligibility requirements* address basic criteria, such as that the institution must be authorized or licensed to operate as an educational institution, must have a chief executive officer appointed by the governing board, and must have a substantial core of qualified faculty with full-time responsibility to the institution.

Further, institutions must meet all of the commission's more than 100 accreditation standards. The commission divides its standards into four categories, which are summarized in the text box. The standards describe a number of characteristics institutions must have to receive or retain accreditation. For example, one standard under leadership and governance relates to board and administrative organization and states that "the institution or the governing board publishes the board bylaws and policies specifying the board's size, duties, responsibilities, structure, and operating procedures." Another standard under student learning programs and services relates

to instructional programs and states that "the institution identifies student learning outcomes for courses, programs, certificates, and degrees; assesses student achievement of those outcomes; and uses assessment results to make improvements."

The commission develops its eligibility requirements and accreditation standards with input from its member institutions and the public. According to commission policy, the commission provides an opportunity for member institutions and other stakeholders, such as business leaders and members of the public, to comment on proposed changes to existing standards. Individuals may choose to submit written comments or testify at meetings the commission schedules. The commission's policy states that it will gather the comments and take them into account as it finalizes revisions to the standards.

Finally, the commission has a number of policies describing requirements for accredited institutions and describing the commission's roles and responsibilities. For example, the commission maintains policies related to institutional degrees and credits as well as policies on institutional integrity and ethics. The commission also maintains policies regarding access to its meetings and the professional and ethical responsibilities of commission members. Similar to its process for developing standards, according to the

commission's bylaws, the commission will consider all institutional policy language in public session. The commission's bylaws allow it to adopt, amend, or repeal policies that deal with the internal operation of the commission and its staff in either open or closed sessions.

Commission's Accreditation Process

In order for an accreditor to be recognized by USDE, federal law requires that the accreditor perform, at regularly established intervals, on-site inspections and reviews of institutions and ensure that the team members conducting these reviews are well trained and knowledgeable. The commission's accreditation process is a six-year cycle, as outlined in Figure 2 on the following page.¹ According to the commission, the cycle begins when the institution prepares and submits a self-evaluation to the commission, evaluating itself against the eligibility requirements, accreditation standards, and the commission's policies as well as the institution's own objectives.

Subsequently, as shown in Figure 2, the commission assembles a peer evaluation team of members from other accredited institutions in the region to conduct a visit of the institution. According to the commission, the average team has instructional and student services administrators, a chief executive officer, a business officer, and three academics. The team members volunteer their services. The commission's vice president for team operations selects the team from a roster of experienced educators and administrators. According to a commission protocol, teams are typically composed of eight to 12 members but may be larger. For example, the team conducting the comprehensive evaluation of CCSF in March 2012 had 16 members and a team assistant. Pursuant to federal regulation, commission policies require evaluation team chairs and members to receive training before conducting site visits. Further, evaluation team chairs are required to attend a team chair training workshop each time they serve.

The commission's bylaws require it to meet twice per year to consider the accredited status of institutions and other matters. In doing so, the commission considers the results of the teams' evaluation reports and other reports the institutions submit, as well as information presented to the commission by community college presidents, superintendents, and chancellors during a brief presentation. At its semiannual meetings, the commission meets in closed session to make decisions to reaffirm accreditation, sanction an institution for deficiencies, or terminate accreditation.

¹ Beginning in 2016 the commission will move from a six- to a seven-year cycle.

Figure 2
Accreditation Process

Sources: The commission's *Accreditation Reference Handbook*, July 2013; *Manual for Institutional Self-Evaluation*, June 2013; *Team Evaluator Manual*, July 2013; and *Accreditation Basics* online course, as well as correspondence from the commission to institutions.

* Beginning in 2016 the commission will move from a six- to a seven-year cycle.

† American River College, City College of San Francisco, Cuesta College, and Solano Community College.

Commission Actions and the Appeal Process

The commission's policies describe several actions it may take when considering whether to reaffirm a college's accreditation, as described in the text box. According to its policies, the commission will reaffirm the accreditation of institutions that meet its eligibility requirements, standards, and policies; however, the commission may make recommendations or require that institutions follow up with the commission on areas of concern. When the commission finds an institution is out of compliance with one or more of its standards, eligibility requirements, or policies, federal regulations require accreditors either to take adverse action, which can include terminating accreditation, or to give that institution up to two years to come into compliance. According to the commission's policies, when an institution is significantly out of compliance and has not satisfactorily explained or corrected matters on which it has been given notice, the commission may terminate the college's accreditation. Federal law requires that when the commission decides to terminate an institution's accreditation, the institution has the opportunity to appeal the accreditor's decision to a hearing panel before that decision becomes final. We discuss the appeals process, including our concerns with certain aspects of this process, in more detail in Chapter 1. Finally, an institution unsuccessful in its appeal may take legal action, although federal law requires that an accredited institution agree to submit to initial arbitration first.

Commission Decision Draws Attention

The commission's decision to terminate CCSF's accreditation, which it notified the college of in July 2013, has focused attention on the commission. Specifically, a CCSF faculty union, students, and residents; the city attorney of San Francisco; and the Save CCSF Coalition—an association of students, faculty, classified staff, and community members—each filed a lawsuit against the commission following its decision to terminate CCSF's accreditation, alleging unfair business practices or other violations of law. CCSF is not a party in the litigation against the commission. The San Francisco Superior Court (court) granted a motion from the commission to strike the Save CCSF Coalition's

Actions the Accrediting Commission For Community and Junior Colleges, Western Association of Schools and Colleges May Take for Institutions Seeking Reaffirmation of Accreditation

Reaffirm Accreditation: The institution substantially meets or exceeds the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges' (commission) eligibility requirements, accreditation standards, and policies. If the commission has concerns on a small number of issues of some urgency, which if not addressed immediately, may threaten the ability of the institution to continue to meet eligibility requirements, accreditation standards, and policies, the commission may request a follow-up report or a follow-up report with a visit.

Sanctions (accredited status continues during periods of sanction):

- **Warning:** The institution has pursued a course deviating from the commission's eligibility requirements, accreditation standards, or policies to an extent that gives concern to the commission.
- **Probation:** The institution deviates significantly from the commission's eligibility requirements, accreditation standards, or policies, or fails to respond to conditions imposed upon it by the commission, including a warning.
- **Show Cause:** The institution is in substantial noncompliance with the commission's eligibility requirements, accreditation standards, and policies, or when the institution has not responded to the conditions imposed by the commission. In such cases, the burden of proof will rest on the institution to demonstrate why its accreditation should be continued within a time specified by the commission.

Terminate Accreditation: If an institution has not satisfactorily explained or corrected matters of which it has been given notice, or has taken an action that has placed it significantly out of compliance with the commission's eligibility requirements, accreditation standards, and policies, the commission may terminate its accreditation.

Source: *The commission's Accreditation Reference Handbook*, July 2013.

lawsuit in March 2014; however, in January 2014, the court granted an injunction preventing the commission from terminating CCSF's accreditation pending further court order or final adjudication in the city of San Francisco's case. The court has scheduled a trial for October 2014.

Also as of May 2014, the Legislature is considering several bills that address community college accreditation in general or CCSF in particular. Assembly Bill 1942 would require the board of governors, in determining whether a community college district meets the minimum conditions for the receipt of apportionment funding, to review the accrediting status of community colleges within that district. The bill would also require the accreditor to report to the Legislature when the accreditor issues a decision that affects the accreditation of a college and, on a biennial basis, to report any policy changes the accreditor made that affect the accreditation process or status for a community college. Senate Bill 1068 would require the board of governors to report to the Legislature regarding the feasibility of creating an independent accreditor for the State's community colleges and to make a recommendation regarding whether the State would be better served by another accreditor or multiple accreditors. Finally, Senate Bill 965 would, for fiscal years 2014–15 through 2016–17, require the board of governors to provide the San Francisco Community College District with revenues to offset a decline in full-time equivalent students if the board of governors finds that the district or a campus is in imminent jeopardy of losing its accreditation.

Recent Developments Related to the Accreditation of CCSF

As we were preparing our report for publication, two important developments occurred that may impact CCSF's accreditation status. First, on June 11, 2014, the commission released a proposed policy which, if adopted, could provide CCSF with more time to address the concerns that led to the commission's decision to terminate its accreditation. Second, on June 13, 2014, the commission released the appellate hearing panel's (hearing panel) decision on CCSF's appeal of the commission's decision to terminate its accreditation. Both developments would give CCSF the opportunity to demonstrate the progress it has made to come into compliance with the commission's eligibility requirements, accreditation standards, and policies, and neither development changes the conclusions we reach in this report. In fact, both developments are consistent with the conclusions we make in Chapter 1 regarding the commission's ability to provide CCSF with more time to come into compliance and the importance of allowing the introduction of new evidence in the commission's appeal process.

The commission's June 2014 proposed policy, if approved by USDE and adopted by the commission, would allow an institution that has had its accreditation terminated to apply for "restoration status" prior to the effective date of the termination or completion of any requested review and appeal process, whichever is later. As part of this restoration process, the institution would have to demonstrate that it meets the commission's eligibility requirements and be subject to a comprehensive evaluation from the commission. Based on this comprehensive evaluation, if the commission determines the institution meets all eligibility requirements and has demonstrated its compliance with all of the standards and policies or has the ability to meet them within two years, the commission would rescind the termination's effective date and suspend the termination decision. Significantly, this action would allow the college to receive both state and federal funding, as it would continue to be accredited. At the end of the two-year restoration period, the institution would again undergo a comprehensive evaluation. If the commission then determines that the institution is in compliance with the commission's eligibility requirements, standards, and policies, its accreditation status would be reaffirmed. If the institution is not in compliance, the institution would then immediately lose its accreditation, without an additional opportunity to appeal. An institution may apply for restoration status only once within a 20-year period according to the commission's proposed policy. As we describe in Chapter 1, under its existing policies, the commission already has the ability to provide CCSF with more time to come into compliance. This proposed policy appears to provide another mechanism that would address the college's need for additional time to come into compliance. According to the commission, USDE has approved the proposed policy. The commission will take public comments on the proposal until June 25, 2014.

On June 13, 2014, the commission announced the decision of the hearing panel that considered CCSF's appeal of the commission's termination decision. Although the hearing panel did not find in favor of the college on its various claims, it did remand the matter to the commission for further consideration. In doing so, the hearing panel directed the commission, as soon as reasonably practicable, to perform an evaluation of CCSF's state of compliance with accreditation standards and eligibility requirements as of May 21, 2014, which would include evidence of CCSF's efforts to come into compliance made after the commission's June 2013 decision to terminate its accreditation. As we describe further in Chapter 1, we believe the consideration of such evidence should be required as part of the commission's appeal process.

Scope and Methodology

The Joint Legislative Audit Committee (audit committee) directed the California State Auditor (state auditor) to review the commission's practices and the financial and programmatic implications resulting from actions taken by the commission related to California's community colleges for the period 2009 through 2013. Table 1 lists the audit committee's objectives and the methods we used to address those objectives.

As a nonprofit organization, the commission is not under the same legal obligation to provide documentation or any other information to the state auditor as are publicly created entities. Nonetheless, we requested documents and information from the commission in order to address certain audit objectives. The commission provided us with its financial statements and public policies, and commission staff met with members of the audit team to discuss accreditation generally and to provide current and historical information on the commission's operations. However, the commission stated that it would not discuss specific information regarding colleges it accredits unless that information was already publicly available. Further, to address a certain audit objective, we asked the commission to provide us with copies of its consultant contracts, but it refused despite our assurances that we would keep this information confidential as permitted by law.

Finally, we direct our recommendations to the chancellor's office because the commission is a nonprofit corporation, which is governed by federal law and subject to the oversight of USDE. To better protect the State's interest in accreditation and to improve the accreditation process, many of our recommendations prompt the chancellor's office to engage the commission on behalf of the State's 112 community colleges.

Table 1
Audit Objectives and the Methods Used to Address Them

AUDIT OBJECTIVE	METHOD
1 Review and evaluate the laws, rules, and regulations significant to the audit objectives	We reviewed federal and state laws, regulations, and guidance relevant to accreditation and to community colleges. Additionally, we reviewed the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission) accreditation eligibility requirements, standards, policies, and bylaws. We noted that very little in state law or regulations directly affects accreditation of community colleges. It is a process governed by federal law and regulations.
2 For a selection of three accredited community colleges, including two that the commission has sanctioned, to the extent possible, determine the following:	We reviewed the sanction history of California's 112 community colleges between January 2009 and January 2014 and selected Solano Community College and Cuesta College as institutions the commission had sanctioned. We selected American River College as an institution the commission did not sanction. Finally, we added City College of San Francisco (CCSF) as a fourth college because the college had its accreditation terminated effective July 2014—although the San Francisco Superior Court granted an injunction preventing the commission from terminating the college's accreditation until further court order or final adjudication of a related lawsuit. As of May 2014 the trial was set for October 2014.
a. Whether the commission's accreditation process was conducted consistent with applicable state laws and regulations and was applied consistently among colleges. Further, assess the extent to which commission policies comply with applicable state requirements.	We reviewed state and federal laws and regulations and determined that accreditation of community colleges is a process governed by federal law and regulations. To determine whether the commission conducted its process consistently we judgmentally selected certain standards and assessed the extent to which the commission reviewed these standards at the four institutions we visited and determined it reviewed the standards. Further, we reviewed all California community colleges where the commission reaffirmed accreditation between January 2009 and January 2014 to determine how many colleges the commission nevertheless considered out of compliance with its standards. We also determined how long institutions took to come into compliance with commission standards to determine whether some institutions were given more time to comply than others. We also reviewed findings and recommendations from reviews by the U.S. Department of Education (USDE) regarding complaints about the commission and the commission's application for federal recognition as an accrediting agency.
b. Whether the commission's accreditation policies changed and, if so, whether these changes had fiscal or other impacts.	We obtained copies of the commission's <i>Accreditation Reference</i> handbooks for July 2011 and July 2013 and compared the standards and policies in each edition to identify changes. We did not identify any significant changes to the standards or policies, with the exception of a standard relating to long-term liabilities, which we discuss further in Chapter 2. We also reviewed the commission's appeal process as described in its bylaws, and we assessed the extent to which the process appeared to provide institutions with a fair opportunity to appeal commission decisions. Although we concluded that the appeal process reflects requirements in federal regulations, we did identify some concerns with certain aspects of the process and describe these concerns in Chapter 1.
c. How the commission's accreditation process incorporates measures of educational quality—for example student achievement—and whether the commission's use of such measures is reasonable and effective.	We interviewed relevant staff at each of the four institutions we reviewed and obtained documents related to student achievement. We focused our analysis on student learning outcomes (SLOs), which we define and describe further in Chapter 2. We compared selected commission standards relating to SLOs to those of four other regional accreditors and determined the standards were similar and therefore reasonable. We also reviewed examples of how faculty at each of the four community colleges we visited were using student learning outcomes and found them to appear to be effective.
d. Whether the commission's recommendations or requirements comply with applicable state laws and regulations.	We reviewed the recommendations the commission made to each of the four institutions subsequent to comprehensive evaluations and determined there was no evidence that the recommendations violated state laws or regulations. Additionally, we reviewed the commission's eligibility requirements, standards and selected policies and we did not note any instances where they did not comply with state laws or regulations.
e. Whether the commission has required any of the selected colleges to take action that was inconsistent with applicable laws or policies, including with respect to the college's governance structure.	For the four institutions we visited, we reviewed the commission's recommendations, based on the institutions' most recent comprehensive evaluations, and we determined there was no evidence that either the recommendations, or the actions the institutions undertook to address the recommendations, violated state laws or regulations. Also, we specifically reviewed the commission's standards and recommendations related to governance and did not identify instances where the commission required, or the colleges implemented, policies or procedures that were contrary to state law.

continued on next page...

AUDIT OBJECTIVE	METHOD
f. What changes, programs, or additional activities has each community college undertaken during the 2009 through 2013 period to address requirements imposed by the commission. g. The additional costs incurred by each of the community colleges in making changes or undertaking new or additional activities to comply with any requirements imposed by the commission.	For the four institutions we visited, we interviewed relevant staff and reviewed documentation on activities the institutions undertook to address the commission's standards and requirements. In conducting our interviews, we learned that the institutions generally believed the actions they undertook to address accreditation-related requirements were actions they would have needed to take regardless of accreditation. We describe the activities specifically related to accreditation that the four institutions explained they undertook in Chapter 2. None of the four institutions we reviewed generally tracked expenditures related specifically to accreditation except for those related to commission dues, fees, and visiting teams. We identified those payments and present the amounts in Table 3 in Chapter 2. Additionally, for selected activities identified in audit objective 2f, we interviewed relevant staff and reviewed available documentation to determine the investment in time, money, or both the institutions made to support those activities.
3 To the extent possible, determine whether there are discernible trends in the number, percentage, and types of sanctions imposed on community colleges subject to adverse action by the commission compared with actions taken by other accrediting organizations in the United States, and identify the factors contributing to any significant variations.	We determined that there was no centralized database of information on sanctions. We obtained information from each of the seven regional accreditors' Web sites and calculated the number of actions each accreditor took from 2009 through 2013 and the number of sanctions for noncompliance each accreditor issued during that time. To determine the potential reasons for discrepancies in the sanction rates between accreditors, we compared selected commission standards across each of the seven regional accreditors and found them to be generally similar. Also, we interviewed officials at each of the seven accreditors to determine how their processes might differ from the commission's. We describe the results of our review in Chapter 1.
4 Identify any state or federal open-meeting laws, and any changes to those laws, that applied to the commission from 2009 through 2013 and whether it complied with any such laws during that period.	We reviewed state and federal open-meeting laws, federal requirements on accredited institutions, and the commission's policies on meetings. Based on our review, we determined that the commission is not subject to state or federal open meetings laws and that its policies comply with federal requirements. Nevertheless, we describe in Chapter 1 that the commission's decision-making process regarding an institution's accreditation status lacks transparency.
5 To the extent possible, describe the commission's policies, and any changes to those policies, in effect between 2009 and 2013 for retaining documents relating to community college accreditations.	We reviewed relevant laws and regulations and determined that the commission is not subject to state laws related to document retention. Further, we compared the commission's policy on document retention to federal requirements that the commission maintain records related to its accreditation decisions and determined the commission's policy was appropriate.
6 To the extent possible, identify the number, contractor identity, purpose, and value of any consultant contracts entered into by the commission, and the entities responsible for payment.	As we describe further in Chapter 1, the commission denied the California State Auditor's (state auditor) request for copies of its consultant contracts.
7 Identify and assess any other issues that are significant to the process for accrediting community colleges.	We reviewed the commission's conflict-of-interest policy and findings from USDE regarding the appearance of a conflict of interest relating to a member of the evaluation team that conducted a review of CCSF in 2012. We report information pertaining to this issue in Chapter 1. Additionally, we reviewed information on the commission's Web site regarding its proposal that CCSF seek candidacy status and its proposed policy on commission actions on institutions related to restoration status. Further, we reviewed the appellate hearing panel's decision on its review of CCSF's appeal of the commission's decision to terminate the college's accreditation. In order to obtain additional perspective on community college accreditation and the issues surrounding this audit, we interviewed an official from the California Community Colleges Chancellor's Office and an education program specialist and attorney from USDE. Additionally, we surveyed the chief executive officers of each of California's 112 community colleges. We describe the survey and its results in the Appendix. We interviewed the president of the CCSF board of trustees to obtain his perspective on CCSF's accreditation. We also attempted to contact the executive director of the American Federation of Teachers Local 2121, a union that filed a lawsuit against the commission, but he did not respond to us. Also, we assessed whether the institutions where commission members were from fared better in accreditation decisions than community colleges in the State as a whole and report our results in Chapter 1.

Sources: The state auditor's analysis of Joint Legislative Audit Committee audit request 2013-123, and information and documentation identified in the table column titled *Method*.

Chapter 1

INCONSISTENT APPLICATION AND LACK OF TRANSPARENCY ARE WEAKENING THE ACCREDITATION PROCESS

Chapter Summary

The Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission) was inconsistent in applying its accreditation process to City College of San Francisco (CCSF). In July 2013 the commission notified CCSF of its decision to terminate its accreditation after the college had been on the commission's most severe level of sanction for one year although federal regulations allow accreditors to grant colleges up to two years to address accreditation sanctions. What is more, in reviewing the commission's accreditation decisions for California's community colleges between January 2009 and January 2014, we found that the commission allowed 15 institutions to take two years to address their sanctions and allowed six other institutions to take more than two years to resolve theirs. Further, the commission acted to terminate the accreditation even though CCSF appeared to meet one of the commission's criteria for granting an extension. Nevertheless, the commission continues to have the ability to allow CCSF more time to remedy its deficiencies as it is not restricted from reversing its decision to terminate accreditation.

In addition to the inconsistent application of its accreditation process, the commission's policies regarding the transparency of its most critical decision making and its appeal process need improvement. The commission conducts deliberations on the accreditation status of institutions in closed sessions, which could cause institutions and the public to question the integrity of the process. We surveyed the president, superintendent, or chancellor (college executives) at each of the 112 California community colleges, and a significant minority suggested that the commission's decision-making process is not appropriately transparent. Some suggested that it should conduct its deliberations in public, while others commented that the commission's deliberations should be open specifically to the college executive of the institution with an accreditation decision under consideration. Further, the commission's appeal process generally does not provide institutions with a definitive right to have new evidence considered when they appeal the decision to terminate their accreditation. Such a limitation could be detrimental to an institution that is making progress in addressing deficiencies.

We also noted that the commission sanctions its member institutions at a much higher rate than any of the other six regional accreditors in the United States. Between 2009 and 2013 the commission took 269 actions—which includes reaffirming accreditation, sanctioning an institution for noncompliance, or terminating accreditation—on its member institutions and issued 143 sanctions, a sanction rate of about 53 percent. In comparison, the sanction rate among the remaining six regional accreditors was just over 12 percent. This disparity may in part be due to the colleges themselves. In our survey of college executives, 88 percent of respondents felt that the commission's recommendations were reasonable, meaning it appropriately identified issues and concerns about their institution. Other factors contribute to the higher sanction rates: the commission has more levels of sanction—three as opposed to one or two at other regional accreditors—and a shorter accreditation cycle—six years as opposed to seven to 10 years at other regional accreditors.

The commission is currently the only entity authorized by state regulation to accredit California's community colleges, but options exist that could allow colleges more choices for accreditation. State regulations currently require that California community colleges receive accreditation only from the commission. However, other accreditors could apply to the U.S. Department of Education (USDE) to expand their scopes of operation to include California community colleges. Finally, it may be possible for the Legislature to encourage the establishment of a new accreditor in California, although a new accreditor would require funding. Such a move would involve some risk as any new organization would have to meet all federal requirements—as well as demonstrate that it had accredited institutions for at least two years—before being eligible for recognition from USDE. Regardless, until the State no longer names the commission as the sole accreditor for California community colleges, such choices are not possible.

The Commission Provided CCSF With Less Time to Address Deficiencies Than It Gave Other Member Institutions in California, and It Could Choose to Extend the College's Time for Good Cause

In July 2013 the commission notified CCSF of its decision to terminate the college's accreditation. Federal regulations require an accreditor to terminate accreditation when an institution is not in compliance with the accreditor's standards. However, the federal regulations allow an accreditor to provide such an institution up to two years to come into compliance with the standards, and more if the accreditor determines there is good cause for an extension. Although the commission indicated it was terminating CCSF's accreditation because the college was significantly out of

compliance with numerous eligibility requirements and standards, it also found that the college was making some progress in addressing its deficiencies. Nevertheless, it chose to terminate CCSF's accreditation after only one year on sanction. While the commission has the authority to make such a decision, this decision seems inconsistent with those made for some other colleges. For example, the commission granted some institutions more than two years to resolve their sanctions during the period we reviewed. Finally, the commission had and still has the ability to extend CCSF's time to comply with standards. Specifically, were the commission to reverse its decision to terminate CCSF's accreditation, it could continue CCSF on sanction and extend, for good cause, the time the college has to come into compliance.

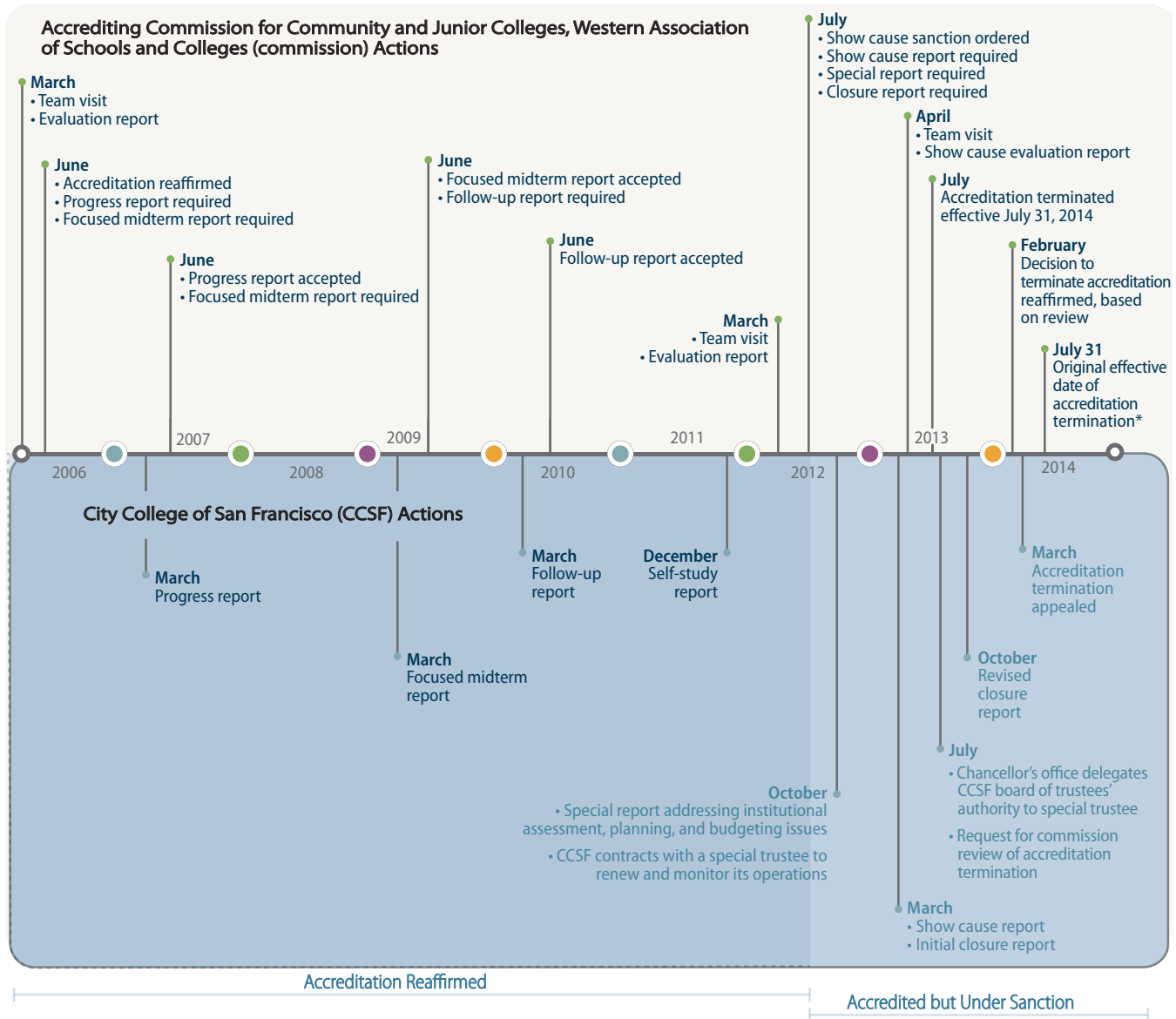
The Commission Allowed CCSF Less Time to Address Issues of Noncompliance Than It Allowed Other California Community Colleges

In July 2013 the commission notified CCSF of its decision to terminate the college's accreditation after allowing the college only one year to come into compliance. In July 2012 the commission placed CCSF on its most severe level of sanction, *show cause*, indicating the college failed to demonstrate that it met requirements outlined in a significant number of the commission's eligibility requirements and accreditation standards. One year later in July 2013, the commission acted to terminate CCSF's accreditation effective July 31, 2014, citing that the college was still significantly out of compliance with various eligibility requirements and accreditation standards. Figure 3 on the following page outlines key actions related to the accreditation of CCSF from 2006—when the commission last reaffirmed its accreditation—to the present.

While federal regulations allow the commission to terminate CCSF's accreditation, the commission had the opportunity to take a less severe course of action. When an institution is out of compliance with one or more accreditation standards, federal regulations require that the accreditor either revoke the institution's accreditation or allow it up to two years to come into compliance. Regulations also allow the accreditor to extend that time for good cause, although according to the USDE, such extensions should be exceptional and of limited duration. According to its policies, the commission will issue a sanction to an institution out of compliance with its eligibility requirements, accreditation standards, and policies. As described in the Introduction, the commission maintains three levels of sanction: warning, probation, and show cause.

While federal regulations allow the commission to terminate CCSF's accreditation, the commission had the opportunity to take a less severe course of action.

Figure 3
Timeline of Selected Key Events Related to the Accreditation of the City College of San Francisco



Source: Documents retrieved from CCSF's accreditation Web site.

* Although the commission acted to terminate CCSF's accreditation effective July 31, 2014, a San Francisco Superior Court judge granted an injunction in the lawsuit filed by the San Francisco city attorney as described in the Introduction. The injunction prevents the commission from terminating the college's accreditation until further order of the court or final adjudication of the city attorney's case. As of May 2014 the trial was set for October 2014. (See Introduction for a description of other key events that took place in June 2014.)

Many member institutions of the commission have taken two years or more to resolve sanctions. Between January 2009 and January 2014, the commission placed 63 California community colleges on sanction. Of those, 49 successfully resolved their sanctions—including four institutions on the most severe level of sanction, *show cause*—within the same five-year period and

the other 14 remained on sanction as of January 2014.² Of the 49 institutions that successfully resolved their sanctions, 28 resolved their sanctions in less than two years. However, 15 institutions took the full two years and six others took more than two and up to five years to resolve their sanctions. Cuesta College (Cuesta), for example, took five years to resolve its sanctions, including one year on show cause. For the six institutions that took more than two years to resolve sanctions, the commission either explicitly invoked the good cause exception or provided an explanation for the extended time. In contrast, the commission made the decision to terminate CCSF's accreditation after only one year although it could have given it two years as federal regulations allow. While we acknowledge institutions are unique and generalizations may be difficult to make, the commission is required to apply and enforce its standards in its decision making consistently.

Although the commission concluded that CCSF was still significantly out of compliance at the time it decided to terminate accreditation, the college was making progress.³ A team that visited the college in April 2013 to review its progress following the commission's show cause sanction found that CCSF had taken action to successfully meet various commission standards that the March 2012 comprehensive evaluation team found it had not met. For instance, the 2013 team found that the college had met a standard requiring an institution to maintain an ongoing, collegial, self-reflective dialogue about the continuous improvement of student learning and institutional processes. Further, in several instances, the team concluded that the college had not met a particular standard, noting that the college had not fully implemented a related reform or completed a related cycle, implying that the college needed additional time to demonstrate compliance in those areas. For example, in its assessment of the college's compliance with a standard relating to instructional programs, the 2013 team concluded that although the college did not yet meet the standard, it had made remarkable progress in a very short time and stated that the college was largely, though not entirely, at the "proficiency" level in implementing student learning outcomes. In its report, the 2013 team stated that overall, it was impressed with the engagement and responsiveness of the entire college community to take corrective measures to meet the commission's standards and eligibility requirements.

Of the 49 institutions that successfully resolved their sanctions with the commission, 15 took the full two years and six others took more than two and up to five years to resolve.

² This number includes CCSF. According to the commission's letter notifying the college of its decision to terminate accreditation, the accredited status of show cause will remain in effect until the termination action becomes final.

³ The commission's policies specify that an institution under a show cause sanction is subject to additional reports and visits at a frequency the commission determines.

Despite the reported progress, the 2013 team also identified instances where CCSF's efforts had insufficiently addressed previously noted deficiencies. For instance, that team found that the college had failed to take timely corrective action in addressing eight repeat findings from the college's external financial audit for the fiscal year ending June 30, 2012. As a result, the team concluded that the college did not meet the commission standard requiring that institutional responses to external audit findings be comprehensive, timely, and appropriately communicated. The team also concluded the college did not meet the standard requiring that the institution establish and implement a written policy providing for faculty, staff, administrator, and student participation in decision-making processes. Specifically, although the team found the college's revised governance structure was in the initial implementation stages—and noted improvements from students and classified staff who reported feeling less marginalized as participants—the college had not defined the manner in which individuals could bring forward ideas from their constituencies and work together on appropriate policy, planning, and special purpose bodies.

In its letter informing the college of its decision to terminate accreditation, the commission acknowledged that while CCSF and many of its staff had worked very hard to move the college forward to comply with standards since the evaluation team identified deficiencies in 2012, the college would need more time and more cohesive, institution-wide efforts to comply fully with accreditation requirements. The commission noted that the college remained significantly out of compliance with certain eligibility requirements and numerous standards and, among other concerns, CCSF had not adequately addressed 11 of the 14 recommendations from the commission. Further, the commission called into question whether the college had the capacity to address the many financial management deficiencies the evaluation team identified in its 2012 report. Finally, the commission stated that the testimony provided to the commission by college representatives and the 2013 evaluation report indicated that institutional deficiencies in the area of leadership and governance had inhibited CCSF's ability to move effectively and with appropriate speed to resolve its problems.

Although it had the authority, the commission's action to terminate CCSF's accreditation seems inconsistent with decisions it made regarding two other institutions we reviewed.

While the commission certainly had the authority to terminate CCSF's accreditation, its action seems inconsistent with decisions it made regarding two other member institutions we reviewed. Specifically, the commission provided Solano Community College (Solano) and Cuesta with more time to take corrective action following their show cause sanctions, as both colleges were making progress. The commission notified Solano that it was placing the college on a show cause sanction in February 2009;

and in April 2009, a visiting team noted the need for additional time for the college to fully resolve deficiencies in its ability to meet an eligibility requirement related to financial accountability. In the second case, the commission placed Cuesta on warning in February 2009 and on probation in January 2010, and it continued the college on probation in January 2011. Then in February 2012, the commission placed Cuesta on a show cause sanction; however, the team that reviewed Cuesta in October 2012 concluded that there was insufficient time for the college to provide evidence that it fully met standards related to planning and assessment until it completed an annual planning cycle.

However, rather than deciding to terminate accreditation as it did in the case of CCSF, the commission chose to continue both Cuesta and Solano on sanction for at least another year, albeit at a sanction level less severe than *show cause*. The commission notified Cuesta that it was being placed on warning in February 2013 and then it removed the college from warning in February 2014. The commission notified Solano in June 2009 that it was being placed on probation and the commission removed the sanction of probation in January 2011. In both cases, the colleges had two years following their show cause sanctions to address deficiencies, and Cuesta, which the commission initially placed on warning in January 2009, had a total of five years to address its deficiencies.

Although the 2013 team's report indicated that significant noncompliance remained at CCSF, given the progress the college had made and the need for more time to verify certain aspects of CCSF's efforts to resolve deficiencies, we question why the commission did not provide the college with the same consideration it provided to Cuesta and Solano, that is, giving CCSF at least two years to address its deficiencies. The additional time might have allowed CCSF to make additional improvements and fully implement some of the activities it had previously undertaken. Further, it is likely that the additional time would have provided the commission with the opportunity to better assess CCSF's ability to address its deficiencies and meet eligibility requirements and standards in the long term.

Although the Commission Has Received Some Pressure to Comply With Certain Federal Requirements, It Continues to Have the Authority to Allow CCSF More Time to Address Deficiencies

In addition to identifying significant noncompliance and ongoing deficiencies at CCSF, we identified two other factors that could have influenced the commission's decision to terminate CCSF's accreditation after only one year. First, the commission continues to maintain that it found CCSF out of compliance with

We question why the commission did not give additional time to CCSF to address its deficiencies, similar to the consideration it provided to Cuesta and Solano.

standards in 2006 even though it did not notify the college of this noncompliance at that time. In a July 2013 letter notifying the college that it would be terminating accreditation, the commission indicated that CCSF had not adequately addressed certain recommendations identified in a comprehensive evaluation team's report from 2006. However, in 2006, the commission did not impose a sanction at any level; instead it required that the college submit specific reports on the status of implementing certain recommendations. In addition and perhaps more importantly, the commission reaffirmed the college's accreditation at that time. According to the commission's policies at that time, reaffirming accreditation but requiring a follow-up report suggests that the 2006 recommendations were of some urgency and, if not addressed immediately, they might threaten the ability of the college to continue to meet eligibility requirements, standards, and commission policies. In other words, CCSF was meeting the standards but was at risk of failing to meet them in the future. In particular, the commission required CCSF to submit certain reports regarding its implementation of specific recommendations: a progress report in 2007 focused on one recommendation, a midterm report in 2009 on the status of all of the recommendations with emphasis on one issue, and a follow-up report in 2010 centered on two recommendations.

After reviewing each of the reports that CCSF submitted, the commission notified the college that it had accepted them, without indicating that the college was out of compliance with any standards, with the exception of a report it accepted in 2009. At that time, the commission referenced two recommendations and informed CCSF that it must correct these deficiencies by June 2010. After CCSF submitted its follow-up report in June 2010, the commission accepted the report and requested no further reporting by CCSF regarding the 2006 recommendations, an action that may have led the college to believe it had resolved the commission's previous concerns.

The quality of communication between the commission and institutions has been an issue of concern.

The quality of communication between the commission and institutions has been an issue of concern. In an August 2013 letter to the commission regarding USDE's review of complaints about the commission, USDE stated that the commission did not meet the requirement that it provide a detailed written report that clearly identifies any deficiencies in the institution's compliance with the commission's standards. In fact, USDE stated that the lack of clear identification impacts the commission's ability to provide institutions with adequate due process. Further, USDE stated that the commission cannot treat an issue as serious enough to require reporting and to be part of the rationale for a show cause order but not serious enough to enforce the time frame to return to compliance, as federal regulation requires.

If the commission believed that CCSF was not complying with its eligibility requirements, standards, and policies in 2006 or in subsequent years when it required CCSF to submit certain reports, the commission's policies indicate that it should have imposed a sanction. However, the commission continued the accreditation of CCSF without sanction, and thus the college could reasonably assume that its accreditation was not in jeopardy.

The second—and potentially more pressing factor—is that USDE found that the commission does not consistently enforce the two-year maximum time for institutions to come into compliance with standards. Federal regulations allow accreditors to extend the time an institution has to come into compliance with standards beyond two years if the accreditor determines there is good cause to do so. However, in its 2007 staff report on the commission's petition for continued recognition, USDE noted that the commission's basis for granting an extension was unclear.⁴ Moreover, the commission's practices in granting extensions went beyond the good cause exception specified in the regulations. In 2013 USDE found that the commission could not demonstrate that it was consistently enforcing the two-year period for an institution to return to compliance.

Although USDE's findings clearly indicate concerns that the commission has been inconsistent in imposing the two-year time period to return to compliance, the commission nevertheless has the flexibility to extend CCSF's time period beyond the one year it provided or even the two-year maximum with good cause. According to a 2011 USDE staff report on the commission's interim recognition report, the commission identified specific criteria that can justify an extension for good cause and included four basic reasons. Among those reasons are when an external agency is a participant in resolving the institution's compliance issues, such as an auditor or state regulatory personnel who are overseeing an activity.

Based on this criterion, the commission appears to have good cause for providing CCSF with additional time to come into compliance, as a special trustee has been working with the college since October 2012 in differing capacities but essentially as a regulator to address its accreditation-related issues. In October 2012, shortly after the commission placed the college on a show cause sanction, CCSF contracted with a special trustee to assist it in making significant progress in a variety of matters

⁴ The secretary of USDE recognizes regional and national accrediting agencies, such as the commission, as reliable authorities concerning the quality of education or training offered by the institutions of higher education or higher education programs they accredit. Each accrediting agency is generally subject to the recognition process every five years.

related to its accreditation status. Subsequently, in July 2013, when the commission notified the college it would be terminating its accreditation, the California Community Colleges Chancellor's Office (chancellor's office) appointed the same special trustee to take over decision-making authority from the college's board of trustees. State regulations allow the chancellor's office to appoint a special trustee when a college is in jeopardy of losing its accreditation. The chancellor's office determines the duties of the special trustee, which may include assuming the legal rights, powers, and duties of the governing board of a community college district. In announcing the decision, the chancellor stated that he determined that the best course of action to try to rescue CCSF was to appoint a special trustee with extraordinary powers to help right the institution and position it for long-term success.

In a prior case, the commission specifically invoked the use of a special trustee as a reason to extend the time an institution had to come into compliance. After the commission withdrew Solano's sanction of show cause and imposed probation in June 2009, the commission acknowledged that the college should have resolved the named deficiencies by January 2009 but said it was extending the college's time to correct the deficiencies by an additional year because Solano had engaged a special trustee. In January 2010 the commission again invoked good cause and extended Solano's time to comply to October 2010—nearly two years after it first imposed the show cause sanction. Given this example of prior practice, it appears that the commission could have cited the presence of a special trustee at CCSF as good cause to extend the college's time to comply beyond the one year it provided.

Further, the commission can still act to extend the college's time to comply. In an opinion piece published on the Web sites of both the *San Francisco Chronicle* and the commission, three commissioners argued that giving more time to CCSF is not up to the commission because Congress and USDE have specified that an accrediting body can allow no more than two years for a substandard college to come into compliance or lose its accreditation. However, that argument is incorrect. First, as previously noted, the commission did not provide CCSF with the full two years. Moreover, even though the commission acted to terminate CCSF's accreditation effective July 31, 2014, federal regulations do not prevent it from reversing its decision. Also, in January 2014, the San Francisco Superior Court granted a request for an injunction preventing the commission from terminating the college's accreditation pending further court order or the outcome of a lawsuit filed by the city attorney of San Francisco. A trial is currently scheduled for October 2014. The injunction does not prohibit the commission from taking any other relevant actions, which could include reversing its decision to terminate CCSF's accreditation.

In January 2014 the San Francisco Superior Court granted an injunction preventing the commission from terminating the college's accreditation.

Finally, in this same opinion piece published by the commission, the three commissioners proposed another avenue by which CCSF could seek accreditation, but this solution is not currently viable. The commissioners proposed that CCSF seek candidacy for accreditation as this would allow the college a fresh start and provide two to four years for CCSF to complete its recovery and to ensure that it meets all accreditation standards. However, the commissioners incorrectly claimed that this plan would protect students and the college because CCSF would continue to be eligible for federal financial aid and state funding as long as the college was ultimately successful in obtaining accreditation. In reality, federal law prohibits an institution from participating in federal programs, including federal financial aid, if it has had its accreditation terminated within 24 months or if the institution voluntarily withdrew from accreditation under a show cause or suspension order within 24 months. The only exception is if the accreditor rescinds the order. According to a general attorney for USDE, candidacy would not be a viable route for enabling an institution that has had its accreditation terminated to continue to be eligible to award federal student aid. If the commission did not withdraw its decision to terminate accreditation, for at least 24 months CCSF would not be eligible for either state or federal aid. Because under current state regulations community colleges must be accredited as a minimum condition for the receipt of state aid, were it to pursue the alternative offered by the commission, CCSF would effectively be closed.

The commission's decision to terminate CCSF's accreditation appears to have already taken a toll on the college's enrollment. According to data from the chancellor's office, between fiscal years 2012–13 and 2013–14—while CCSF was under a show cause sanction—the college saw enrollment drop by 21 percent, compared to a 1 percent increase in enrollment community colleges experienced statewide.

Although the Commission Reported That Some Institutions Did Not Comply With Accreditation Standards, It Did Not Sanction Them

A sanction should signal to an institution that it is out of compliance with one or more standards and that it is in danger of losing its accreditation. As described in the Introduction, commission policies state that it reaffirms accreditation when an institution substantially meets or exceeds the commission's eligibility requirements, standards, and policies. In some cases, the commission may reaffirm accreditation but also require certain reports or visits if it is concerned that an institution has a small number of issues that may threaten its ability to continue to meet the commission's standards and policies if not addressed

While CCSF was under a show cause sanction, enrollment dropped by 21 percent between fiscal years 2012–13 and 2013–14, compared to a 1 percent increase in enrollment community colleges experienced statewide.

The commission has not consistently sanctioned noncompliant community colleges.

immediately. On the other hand, the commission should sanction an institution when the institution does not comply with its standards. In a recent court declaration, the commission's president stated that short of termination, if the commission concludes that an institution has fallen below one or more standards, the commission will impose a sanction. Because federal regulations require that the commission revoke accreditation from any institution not in compliance—or give an institution a limited amount of time to come into compliance—we would expect that the commission would sanction any institution that is not complying with one or more of its eligibility requirements, standards, or policies.

In practice, the commission has not consistently sanctioned noncompliant California community colleges. Between January 2009 and January 2014, the commission took action to reaffirm the accreditation of 48 California community colleges following a comprehensive evaluation of each. In 27 of the 48 reaffirmations, the commission indicated that the institutions were required to correct deficiencies or the commission would terminate accreditation, thus indicating that the institutions did not comply with commission standards. Based on its policies and the commission president's statement, the commission should have sanctioned these 27 community colleges, but it did not.

Reaffirming accreditation when an institution is not complying with the commission's standards could lead to confusion among the institutions and the public. For example, in 2006 the commission reaffirmed the accreditation of CCSF but made recommendations that required the college to file specific reports. In its 2012 letter placing CCSF on a show cause sanction, the commission cited the college's failure to address recommendations from the 2006 evaluation team. However, up to that point the commission had not sanctioned CCSF, and its recommendations did not clearly indicate these were instances of noncompliance. In fact, in an August 2013 letter to the commission on its review of complaints about the commission, USDE noted that the commission's language in its 2012 comprehensive evaluation report on CCSF presented a difficulty in ascertaining whether the 2006 recommendations represented areas of noncompliance or areas for improvement. A sanction in 2006 would have sent a clear message to the college that it was out of compliance at that time and encouraged it to address deficiencies long before the 2012 comprehensive evaluation that preceded the show cause sanction.

The Commission's Decision-Making Process Regarding an Institution's Accreditation Status Lacks Transparency

The commission's decision to terminate CCSF's accreditation after only one year of sanction raises concerns about the commission's reasoning for taking such a severe action. The commission's policies describe its obligation to provide transparency in accreditation, and its bylaws outline those portions of the commission's activities that are open to the public, such as when the commission considers changes to accreditation standards. Nevertheless, the commission conducts its most significant decision making regarding an institution's accreditation in private. According to the commission's bylaws and policies, the commission meets in closed session when considering an institution's accreditation and any other confidential matters concerning that institution.

Transparency is an important principle for California's lawmakers. For that reason, public entities, including the State's community colleges, are required to conduct business in a manner that allows public access to information these public entities generate. However, as a private corporation, formed under the Nonprofit Public Benefit Corporation Law, the commission is not subject to state or federal open-meeting laws. Further, the federal regulations governing the accreditation process do not require accreditors to conduct accreditation decisions or appeals in public meetings. Nevertheless, nearly 84 percent of the commission's membership, 112 of the 134 institutions it accredits, are public community colleges in California.⁵ For that reason, we believe the commission should make its decisions at a level of transparency similar to that expected of the State's public institutions. While certain information regarding an institution's accreditation is public, such as the commission's action letter regarding its final decision on accreditation, the commission's deliberations that inform its decision on that accreditation are conducted in closed session and therefore known only to the commission. This is of particular concern in the case of CCSF, given that the decision was inconsistent with the commission's treatment of other institutions.

Numerous community college executives in California have expressed concern regarding the commission's transparency. We surveyed college executives at each of the 112 California community colleges, and we describe the survey and its results in the Appendix. Overall, 62 percent of college executives responding to our survey question about the commission's decision-making process regarding accreditation felt it was appropriately transparent. However, a

As nearly 84 percent of the commission's membership is comprised of California community colleges, we believe the commission should make its decisions at a level of transparency similar to that expected of the State's public institutions.

⁵ The number of institutions the commission accredits is based on figures reported in the 2011–2012 Council of Higher Education Accreditation Almanac Online.

Several college executives indicated that opening the commission's deliberation process would help the colleges understand the reasoning behind the commission's decisions.

significant minority, 38 percent, did not. When asked what changes would make the accreditation process more transparent, nine of the 28 college executives responding to this question suggested that the commission should conduct its deliberations on whether to accredit institutions in public. An additional four college executives suggested the commission's deliberations should be open but only to the college executive or other representatives of the institution under consideration.

As specified in its policies, when the college executive of the institution accepts the invitation to attend, the chair of the evaluation team that reviewed the institution is also invited, and the meeting occurs in closed session. Commission policies indicate that the commission excuses the college executive at the end of his or her testimony, which can be limited in time at the commission's discretion, and before the commission questions the team chair. The team chair is then excused and the commission deliberates and reaches a decision on accreditation in closed session. Thus, the institution's executive does not have the opportunity to listen to the team chair's comments or the commission's deliberations, reasoning, and final decision. According to two college executives in their survey responses, the commission's deliberations process is "secretive." Several college executives also indicated that opening the process would help the colleges to understand the reasoning behind the commission's decisions.

Transparency is especially important because the commission may alter the evaluation team's recommendations before publishing the final report, although college executives we surveyed reported that this practice is uncommon. The commission's policies state that it expects the draft evaluation reports to be kept confidential, but college executives are allowed to review them for purposes of correcting errors of fact. Of the respondents to our survey question regarding whether, based on their most recent comprehensive evaluation, the recommendations changed between the draft and final versions of the evaluation reports, 18 percent indicated that they had changed. Of 12 college executives who provided an explanation of the changes, more than half (seven) stated the commission changed recommendations because of errors of fact. However, the remaining five stated the changes involved new or different recommendations.

We also attempted to ascertain the role of commission staff in the commission's decision-making process. According to an education program specialist at USDE, the federal department does not believe an accreditor's staff should have a role in the accreditation decision-making process. She stated that an accreditor's staff are there to assist the accreditor's commission, which is ultimately responsible for the accreditor's policies and procedures. She also

stated that the accreditor's staff may provide information at the request of its commissioners, for example, if a commissioner were to ask about the history of a particular college. The president of the commission confirmed to us that the commission's practices reflect these expectations. However, federal regulations do not address the staff role and the commission does not publish policies describing how staff, including its president, will conduct themselves during the meetings. Without such policies and without access to the commission's deliberations on an institution's accreditation, institutions and the public could assume that staff play a larger, and perhaps inappropriate, role in decision making. For example, certain critics of the commission's decision to terminate CCSF's accreditation have claimed that the commission's president, a staff person, played a significant role in influencing that decision. If the commission were to provide additional written procedures regarding staff involvement in the process to accredited institutions and the public, it would help foster public confidence in the process.

Also, lack of transparency in the decision-making process may lead to public skepticism about the commission's equity, consistency, and credibility. Based on our review of commission newsletters published between 2009 and 2014, 14 of the commissioners were from California community colleges. The commission sanctioned only two of those institutions during the respective commissioners' tenure, a rate of 14 percent. In comparison, between January 2009 and January 2014, the commission sanctioned 63 of the 112 California community colleges it accredits, a rate of 56 percent. Although it is possible that commissioners may come from institutions that focus more effort on accreditation and thus would be more likely to have individuals willing to serve on the commission, a lack of openness in the decision-making process could lead to skepticism regarding the outcomes.

Finally, although the commission is not under the same obligation to provide documentation or any other information to the California State Auditor as are publicly created entities, we requested documents and information from the commission in order to address certain audit objectives. The commission provided us with its financial statements and public policies, and it responded to questions we had about the accreditation process in general. However, as discussed in the Scope and Methodology, the commission did not provide us with information pertaining to consultant contracts. In requesting this information, we communicated to the commission that this audit would be an opportunity to present its perspective and we hoped it would see the value in cooperating with our process. Further, we explained that we would honor any request from the commission to maintain the confidentiality of any materials it agreed to provide. In denying

Lack of transparency in the commission's decision-making process may lead to public skepticism about its equity, consistency, and credibility.

our request, the commission's counsel cited concerns for the privacy of those contracting with the commission, his construction of the legal authority under which we made our request, and his opinion that we had not sufficiently justified our request for such information. We also asked if the commission would provide us copies of training materials; however, besides being pointed to some limited information available online, we were denied those as well.

Although Institutions Threatened With Losing Accreditation May Appeal the Decision, Certain Aspects of the Appeal Process Could Be Improved

Federal regulations require that accreditors have procedures in place to allow institutions to appeal decisions to terminate accreditation. The regulations also require that the appeal take place before a panel that does not include current members of the commission's decision-making body that took the initial adverse action that is being appealed. In addition, federal regulations give the appeal panel the authority to make the decision to affirm, amend, reverse, or remand the commission's action. The commission's bylaws and procedures outline a process that includes both a review by a committee, and then, should the commission uphold its decision after the review, an appeal to a panel. The commission's vice president for policy and research stated that CCSF's appeal will be the first to go through the commission's process. In February 2014 the commission notified the college that it had reaffirmed its decision to terminate CCSF's accreditation following its review, and CCSF filed an appeal in March 2014.

The commission's appeal process does not provide an institution with a definitive right to introduce evidence of the progress it has made to address the deficiencies that served as the basis for the commission's original decision.

The commission's appeal process allows for the introduction of new evidence—evidence that was not presented as part of the original decision-making process—when the appellate hearing panel (hearing panel) decides to allow its introduction for good cause. However, nothing in the current appeal process expressly defines what good cause would mean in this context, nor does the appeal process provide an institution with a definitive right to have new evidence considered as part of its appeal. In particular, the current appeal process does not expressly give an institution that appeals a commission decision the right to introduce evidence of the progress it has made to address the deficiencies that served as the basis for the original decision. We recognize that in a traditional appellate process the general rule is that new evidence may not be introduced on appeal. Nonetheless, given that the purpose of accreditation is to ensure quality among higher education institutions, and given the amount of time that passes between an action to terminate and when an institution may appeal—nearly nine months in the case of CCSF—we would expect that the commission's appeal process would allow the institution to introduce evidence that would demonstrate the

progress it has made to address the commission's recommendations. In fact, as we describe in the Introduction, the consideration of such new evidence is exactly what will be happening as a result of the decision of the hearing panel announced by the commission on June 13, 2014. The hearing panel, after considering the commission's June 2013 decision to terminate CCSF's accreditation, remanded the matter to the full commission with the directive that it consider new evidence regarding actions CCSF has taken after June 7, 2013, and up to May 21, 2014, and evaluate the college's state of compliance with accreditation standards and eligibility requirements.

Further, although the commission's appeal process reflects requirements in federal regulations, we note that the role of the commission's president in a key step of the appeal process could lead to concerns about whether the process is impartial. Commission policies require that the commission president appoint the hearing panel's legal counsel. The counsel's role is to advise the chair and hearing panel and to act as a conduit for communication between the commission, the institution, and the hearing panel. The commission or the appellate institution may object to that counsel, but the commission president determines, at his or her sole discretion, whether good cause exists to replace the legal counsel. Because the president of the commission appoints the counsel, it may appear that the president is able to influence the counsel's advice.

The Commission Sanctions California Community Colleges at a Much Higher Rate Than Other Regional Accreditors Sanction Their Members

The commission sanctions its member institutions at a significantly higher rate than any other regional accreditor, and it appears that California's community colleges share responsibility for the higher sanction rate. College executives responding to our survey largely indicated that they believed the commission's recommendations to the institutions were reasonable. The fact that the commission has more levels of sanction—three as opposed to one or two at other regional accreditors—and a shorter accreditation cycle—six years as opposed to seven to 10 years at other regional accreditors—may contribute to the higher sanction rate. However, a greater contributing factor may be that, unlike certain other accreditors' practices, the commission does not provide institutions with an opportunity to receive feedback on their self-studies and make needed improvements before undergoing a comprehensive accreditation evaluation.

The commission has a higher sanction rate than that of the other regional accreditors. USDE recognizes seven regional accreditors across six regions in the United States: Northwest Commission on

Colleges and Universities (Northwest); North Central Association of Colleges and Schools, the Higher Learning Commission (North Central); New England Association of Schools and Colleges, Commission on Institutions of Higher Education (New England); Middle States Commission on Higher Education (Middle States); Southern Association of Colleges and Schools Commission on Colleges (Southern); and the two accreditors in the western region, the WASC Senior College and University Commission (Western Senior) and the commission. Between 2009 and 2013,⁶ the commission issued 143 sanctions out of 269 actions on all the member institutions in the commission's region, a sanction rate of 53 percent. For California community colleges, the commission issued 126 sanctions out of a total of 231 actions, for a sanction rate of 54.5 percent. For the purpose of our analysis, actions included the commission reaffirming an institution's accreditation or imposing sanctions for noncompliance, such as placing or continuing an institution on probation. During the same period, the next highest sanction rate among regional accreditors was 24.3 percent. The cumulative sanction rate for the other six regional accreditors was only 12.4 percent. Table 2 shows the number of actions, by type, and the sanction rates among the seven regional accreditors.

Eighty-eight percent of the college executives we surveyed indicated the recommendations made by the commission to their respective institutions between 2009 and 2013 were reasonable.

It appears that California's community colleges share responsibility for the higher sanction rate. As described previously, the commission sanctions an institution when it finds that the institution does not meet the commission's standards. In its reports to an institution, the commission notes where the institution has not met the standards and makes recommendations to help it come into compliance. In our survey, 88 percent of the executives from colleges that had been sanctioned based on their most recent comprehensive evaluation felt that the commission's sanctions were consistent with the evaluation team's report recommendations. Further, we asked college executives whether they felt that the recommendations the commission made to their respective institutions between 2009 and 2013 were reasonable, meaning that the commission appropriately identified issues and concerns and the recommendations were related to the issues identified, and 88 percent of those who responded indicated the recommendations were reasonable. To encourage full and open participation in our survey, we offered confidentiality to survey respondents and nearly 86 percent of them accepted the offer. These positive responses, coupled with the option of having their responses remain confidential, suggest that while the commission may issue sanctions more frequently than other accreditors, such sanctions are reasonable.

⁶ For purposes of this analysis, we limited our review to actions taken by the seven regional accreditors during 2009 and through the end of 2013. We did not include January 2014 in our analysis, as we had done in previous sections of Chapter 1, because data for that time frame were not available for all seven regional accreditors.

Table 2
Actions Regional Accrediting Agencies Took Regarding Their Member Institutions
From 2009 Through 2013

REGIONAL ACCREDITING AGENCY	TOTAL MEMBER INSTITUTIONS	REAFFIRMED		NOT REAFFIRMED/ CONTINUED ACCREDITATION*		SANCTIONED		TOTAL ACTIONS
		NUMBER	PERCENTAGE	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE	
Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission)	134	105	39.0%	21	7.8%	143	53.2%	269
Middle States Commission on Higher Education	532	505	79.9	4	0.6	123	19.5	632
New England Association of Schools and Colleges, Commission on Institutions of Higher Education	241	128	96.2	2	1.5	3	2.3	133
North Central Association of Colleges and Schools, the Higher Learning Commission	1,012	508	98.1	2	0.4	8	1.5	518
Northwest Commission on Colleges and Universities	162	390	98.2	2	0.5	5	1.3	397
WASC Senior College and University Commission	165	96	89.7	0	0.0	11	10.3	107
Southern Association of Colleges and Schools, Commission on Colleges	804	398	65.4	63	10.3	148	24.3	609
Totals	3,050	2,130	79.9%	94	3.5%	441	16.5%	2,665

Sources: The California State Auditor's review and compilation of unaudited data obtained through information published on regional accreditors' Web sites, and data reported in the *2010–11 Council of Higher Education Accreditation Almanac Online*.

Note: For the purpose of our analysis, *actions* includes reaffirming accreditation and imposing sanctions for noncompliance, as well as 11 terminations of accreditation.

* Includes instances wherein an institution was placed on sanction at a time other than a comprehensive evaluation and was subsequently removed from sanction.

The president of the commission noted several factors that present challenges to the commission in accrediting those community colleges that are noncompliant. For instance, she noted that the institutions have in some cases responded only very slowly to changes in the higher education environment, and they are somewhat insular, looking at what is happening within California and not so much at what is happening across the country. For example, she indicated that across the country, colleges and accreditors embraced interest in student learning outcomes (SLOs), which we describe in Chapter 2, about 25 years ago. Certain other accreditors echoed this statement, noting that other regions adopted SLOs many years ago. According to a vice president for legal and government affairs of North Central, that region implemented SLOs between 1990 and 1994. According to the commission's president, although the commission's standards shifted in 2002 to include SLOs, in 2008 many member institutions still had not taken up the task. She stated that some California community colleges still do not regularly collect and analyze data on student outcomes and achievement, such

as graduation rates, licensure pass rates, job placements, or transfers, and they do not regularly use these outcomes to understand institutional effectiveness.

The commission's president also believes that state oversight is limited. She stated that the commission has discovered "too many" colleges to be on the brink of fiscal disaster, including being near bankruptcy or unable to pay bills, or having significant cash-flow problems. In her opinion, the State is no longer providing fiscal oversight and she cited specifically that the State eliminated a "watch list" for colleges related to the State's recommendations that colleges maintain a 5 percent reserve in their budgets. We discuss the need for additional monitoring by the chancellor's office in Chapter 2.

Additional factors that may contribute to varying sanction rates are the inconsistent definitions and uses of sanctions among regional accreditors. Federal regulations provide regional accreditors with the flexibility to create their own standards, policies, and operational structure, including how they will sanction institutions. For example, only the commission and Western Senior use the three levels of sanction described in the Introduction of warning, probation, and show cause. On the other hand, North Central and New England use probation as their only level of sanction to indicate an institution is out of compliance. With the exception of the commission and Western Senior, regional accreditors do not consider show cause to be a sanction but rather a procedural action leading up to termination of accreditation.

The manner in which the commission imposes sanctions also contributes to its higher sanction rate. Based on our review of actions the commission took during January 2009 through January 2014, we noted that the commission has a practice of imposing different sanctions on the same institution or continuing the institution on the same sanction, which adds to the number of sanctions it issues and actions it takes. For example, the commission placed Cuesta on warning in January 2009 and on probation in 2010, continued it on probation in 2011, placed it on show cause in 2012, removed show cause and placed it on warning in 2013, and finally took action to reaffirm accreditation in January 2014. The commission's practice—one in which it can move a single institution from one sanction type to another or continue an institution on the same sanction type—resulted in a total of six actions taken on Cuesta, including five sanctions and an action to reaffirm accreditation. Further, as discussed in the beginning of this chapter, the commission has provided certain institutions with more than two years to come into compliance with its standards. Including Cuesta, between January 2009 and January 2014, six institutions took more than

two years to resolve sanctions and each had multiple sanctions, increasing the number of sanctions imposed and actions the commission took during our audit period.

Unlike the commission, some regional accreditors reported that they provide institutions with an opportunity to receive feedback on their self-studies and make needed improvements before the comprehensive review is conducted, which may lead to lower sanction rates. According to Northwest, its staff conduct a preliminary visit to the institution, which establishes a relationship and an opportunity to obtain feedback, and helps to foster an understanding that the accreditor is there to help. Additionally, Middle States reported that the evaluation team chair visits an institution six to nine months before an on-site evaluation visit to review the draft self-study and provide feedback to the institution to help ensure compliance at the time of the evaluation visit. New England invites its member institutions to submit draft copies of their self-study reports to the accreditor's staff at any time before the comprehensive visit for review and feedback in advance. Western Senior reported that it reviews an institution's self-study six to 12 months before the on-site visit and reports back to the institution on any concerns the review team has so that, among other things, the institution has time to make further improvements as necessary before the on-site visit.

In contrast, the commission's staff does not provide feedback on an institution's draft self-study report before the comprehensive evaluation. According to the commission's vice president for policy and research, the self-study that an institution submits is supposed to reflect an honest assessment of conditions at the college, a participatory discussion on campus of the meaning of that assessment, and the establishment of plans to make improvements where the institution believes they are warranted. She stated that commission staff should not participate in that process, and if it were providing feedback on draft reports, it would be drawn into being consultants to the institution, behavior that might be construed as creating uneven practices toward institutions, according to federal regulations. However, federal regulations do not specifically prohibit providing feedback, but require accreditors to have effective controls against the inconsistent application of standards. Further, without dialogue and feedback on its self-study before the comprehensive evaluation team visit, any uncertainty an institution may have about the quality of its self-study and any areas of noncompliance is likely increased and it misses the opportunity to improve the self-study before the site visit. The lack of feedback at this critical point in the accreditation process may contribute to the greater number of institutions the commission sanctions. Further, several college executives responding to our survey indicated that additional opportunities for feedback would assist institutions in complying with the commission's standards.

The commission's lack of feedback on an institution's draft self-study report before the comprehensive evaluation may contribute to the greater number of institutions the commission sanctions.

The commission has the shortest comprehensive review cycle of the seven regional accreditors, which could be leading to additional sanctions.

Finally, the fact that the commission has the shortest comprehensive review cycle of the seven regional accreditors could be leading to additional sanctions. Federal regulations state that accreditors must re-evaluate institutions at regularly established intervals, but they give each regional accreditor the discretion to determine the length of its review cycle and these cycles vary by accreditor. For instance, Southern, Middle States, and New England operate under 10-year review cycles, whereas Northwest has a seven-year cycle and according to Western Senior's president, its cycle varies between seven and 10 years depending upon previous compliance and prolonged issues. North Central has three accreditation programs that also vary in length from seven to 10 years. With the shortest accreditation cycle of only six years, the commission has a larger proportion of the total institutions it accredits subject to a comprehensive evaluation in a given year, possibly contributing to a greater sanction rate.

The commission is considering two changes to its accreditation practices that may contribute to a decrease in its sanction rate and may lead to more comparable sanction rates across regional accreditors. In April 2014 the Council of Regional Accrediting Commissions—a council composed of the seven regional accreditors—issued a news release outlining new sanctioning levels. If all regional accreditors were to adopt these levels, it would create a standardized model nationwide. The new model envisions just two levels of public sanction: warning and probation. In a letter to California community college executives, the commission stated that it agreed in principle with adopting the definitions and would consider changes to its policies at its June 2014 meeting. Further, in March 2014, the commission's president informed college executives that beginning in spring 2016, the commission will accredit institutions on a seven-year cycle. Several college executives responding to our survey suggested a longer accreditation period would benefit institutions, and at least one was already aware of and pleased with the commission's change. Given that this cycle has not yet been implemented, it is too early to tell what, if any, impact it will have on the high sanction rate of California's community colleges.

USDE Identified Concerns With the Composition of the Commission's Evaluation Teams, and Several College Executives Believe Training for Those Teams and the Accredited Institutions Could Be Improved

The commission could improve the composition of and training for its evaluation teams. In August 2013, the USDE reported that it found the commission had placed the spouse of the commission's president on a comprehensive evaluation team, creating an appearance of a conflict of interest. Additionally, USDE found

that the commission had inadequate representation of academic personnel, referred to as *faculty* for the purposes of our report, on its evaluation teams and cited a comprehensive evaluation team visiting CCSF that had only one faculty member out of 16 individuals. We found similar issues with other teams. Finally, although our survey of college executives showed that they were largely satisfied with the quality of the evaluation teams visiting their schools, those who were not satisfied overwhelmingly cited the evaluators' lack of training. Numerous college executives also commented that the commission should provide additional training to assist institutions in navigating the accreditation process, while others suggested that the existing training could be improved.

USDE Identified Concerns With the Composition of the Commission's Evaluation Teams

The commission provides institutions with the opportunity to review and raise concerns regarding proposed members of evaluation teams. According to commission policy, the commission has the responsibility to select evaluation team members and, among other things, to assure that evaluation team members are impartial, objective, and without conflicts of interest. Policies also state that the institution has the right and responsibility to review the evaluation team members and report any conflicts of interest or concerns to the commission's president immediately, before the team composition is finalized. Of the four community colleges that we reviewed, three provided us with examples of communications between them and the commission regarding evaluation team members, although none requested changes. For example, in January 2012 the commission sent a team roster to CCSF in advance of the college's March 2012 comprehensive evaluation visit, and the chancellor responded that the college was very happy with the team.

Although institutions have the responsibility to review and raise concerns about evaluation team members, a federal review identified the appearance of a conflict of interest on one evaluation team. The commission included the spouse of its president, whose surname differs from hers, on the team that conducted the comprehensive evaluation of CCSF in 2012. According to CCSF's associate vice chancellor of institutional development, who is also the college's accreditation liaison, she did not believe that the college was aware of this relationship at the time that it reviewed the evaluation team roster. Ultimately, based on its review of this team's comprehensive evaluation report and other documentation, the commission ordered CCSF's show cause sanction in July 2012. In an August 2013 letter to the commission on its review of complaints about the commission, USDE concluded that the

The commission included the spouse of its president on the team that conducted the comprehensive evaluation of CCSF in 2012, creating the appearance to the public of a conflict of interest.

The commission has not ensured reasonable representation of faculty on its evaluation teams as required by federal regulations.

participation of the spouse of the president of the commission on an evaluation team had the appearance to the public of creating a conflict of interest, because it could appear that the commission was biased in favor of the evaluation team's position over that of the institution. Accordingly, the commission addressed these concerns in October 2013 by revising its conflict-of-interest policy, which now states that in order to avoid an appearance of conflict to the public, immediate family members of commissioners and staff will not be invited or assigned to participate on an evaluation team.

Further, although federal regulations require that evaluation teams have both academic and administrative personnel, according to USDE, the commission has not ensured reasonable representation of faculty on its evaluation teams. In an August 2013 letter to the commission on its review of complaints about the commission, USDE explained that accreditors, such as the commission, must have academic and administrative personnel on its evaluation, policy, and decision-making bodies. USDE explained that the regulations expect a good faith effort by the commission to have both academic and administrative personnel reasonably represented. The USDE concluded that the commission did not ensure that this was the case, because the commission had appointed just one faculty member to each of the teams that evaluated CCSF in March 2012 and April 2013, which consisted of eight and 16 individuals, respectively. Further, in its 2013 review of the commission for its continued recognition, USDE found that the commission's definition of an academic representative may include deans, department chairs, or other related administrative roles as long as those individuals have a primary responsibility for instruction or instructional support. However, USDE stated that academic representatives must have instruction as a principal activity and noted that a *responsibility* differs significantly from an *activity*. In fact, USDE concluded that the use of the term *academic* for individuals whose primary responsibilities are administrative and who are not directly engaged in a significant manner in postsecondary teaching and/or research misrepresents the experience expected for an individual in this role.

We identified similar concerns regarding faculty representation in our review of three other institutions. The commission appeared to assign just one faculty member to a team of nine that conducted the comprehensive evaluation of American River College in October 2009. Further, a team conducting a visit to Solano in 2008 appeared to contain no faculty, based on the occupational titles of team members. Without representation of faculty, certain stakeholders in the accreditation process have pointed out that the evaluation team reports lack the perspective of a vital element of community college operations, the one that is most directly responsible for the delivery of education to students.

According to the commission's vice president for policy and research, it can be difficult to recruit faculty for evaluation teams. The vice president listed a variety of reasons, including the fact that it is difficult for faculty to leave their teaching assignments for several days. She also stated that faculty have reported that their institutions sometimes do not pay for substitute faculty to handle their classes and their administrators do not always willingly grant leave for faculty participation on evaluation teams. The USDE has allowed the commission until January 2015 to come into compliance on this issue; thus, it is too soon to tell whether the commission has implemented changes in a manner acceptable to USDE.

Although Institutions Generally Believe Evaluation Teams Are Qualified to Conduct Reviews, the Commission Could Improve Its Training for Teams and Institutions

The majority of college executives were satisfied with the expertise and quality of the evaluation teams visiting their institutions, but many of those who were not satisfied cited a need for additional training. Specifically, 84 percent of the college executives responding to our survey indicated that the team the commission assembled for their respective institution's last comprehensive evaluation was appropriate and qualified to conduct the review. Several college executives indicated that they found the evaluation teams to be capable, knowledgeable, helpful, professional, and prepared. However, the majority of those respondents who were dissatisfied with the comprehensive evaluation and follow-up teams indicated the individuals serving on those teams had not received adequate training. Some college executives suggested additional training would create a more fair and consistent interpretation of the standards across teams and would help mitigate individual bias in the team's evaluation, such as that resulting from narrow interest in a certain area or making comparisons to their own institutions and having preconceived ideas of how certain processes should work.

Some college executives also indicated that the commission's training for institutions on how to navigate the accreditation process could be improved. More than half of the college executives responding to our survey—58 percent—felt that the commission's training helps colleges navigate the accreditation process. However, 34 percent of respondents stated that the commission needs to provide additional training for institutions while the remaining 8 percent indicated the commission's training does not help institutions navigate the accreditation process. Several college executives stated the need for more advanced training, including

Of the college executives we surveyed, 34 percent stated that the commission needs to provide additional training for institutions on how to navigate the accreditation process.

specific examples of best practices or procedures for institutions to use during the development of their self-study and to prepare for the comprehensive evaluation visit.

In addition, the commission is exploring an opportunity that may increase involvement and training and help build positive relationships with its member institutions. Five of the other six regional accreditors host annual conferences, which last two to three days. At these conferences, representatives from member institutions attend basic and specific training courses and mingle with colleagues; thus, the conferences can foster positive relationships, particularly between the accreditor and the member institutions. The senior vice president of Western Senior likened its annual conference to a high school reunion, stating it is warm and welcoming, and it is the key to building relationships between that accreditor and its member institutions. In contrast, the commission does not currently host an annual conference. However, according to the commission's vice president for policy and research, as part of the current review of accreditation standards and practices, the commission received input from its member institutions that they would like the commission to offer an annual conference. As a result, she explained that the commission has asked staff to explore conducting an annual conference in lieu of certain other trainings, including smaller trainings.

Finally, we attempted to assess the quality of training provided to evaluation team members and institutions. While some limited material is available online, we also requested additional training materials from the commission. In its response, the commission stated that it posts some materials from its conferences on its Web site, but it explained that it does not post materials for self-studies, training of evaluation team chairs, and evaluation team trainings as the materials are intended to be supported by the narrative and training activities rather than serve as stand-alone materials. The commission indicated it would not be possible to grant our request to provide copies of its training materials.

Options Exist That May Allow California Community Colleges to Choose an Accreditor Other Than the Commission

Under current state regulations, the commission is the only entity authorized to accredit California's community colleges. However, options exist that could provide accreditation alternatives for these institutions. The chancellor's office could take steps to provide community colleges with more than one choice for their accreditor. State regulations currently require that California community colleges seek accreditation specifically from the commission. However, if the chancellor's office were to change its

The chancellor's office could take steps to provide community colleges with more than one choice for their accreditor.

regulations, other existing accreditors might be able to accredit those institutions. Federal regulations require that accreditors define their scope of operations and apply to USDE when they wish to make changes to that scope. According to information published on USDE's and the other regional accreditors' Web sites, five of the six other regional accreditors include two-year institutions in their scope of operations. If these accreditors wanted to review California community colleges, federal regulations would require that they apply to USDE to expand the region in which they operate to include California. Further, Western Senior, which operates in the same region as the commission and accredits four-year institutions, could apply to expand its scope to include two-year institutions. Additionally, other accreditors, such as those with a national presence that accredit primarily vocational institutions, may wish to expand their scopes to include two-year institutions. Nevertheless, until the specific reference to the commission is removed from state regulations, such choices will not be possible.

It is also possible for the Legislature to encourage the establishment of another accreditor, but such an action would face certain obstacles to its implementation. Federal law does not permit states to seek recognition as accreditors; thus, any new accreditor would have to be an independent organization like the commission. Further, a new accreditor would require initial funding and would need a dependable funding stream to support its operations. In addition, as described in the Introduction, federal law outlines a number of requirements accreditors must meet in order to receive federal recognition. For example, accreditors must have a voluntary membership of higher education institutions and must be separate and independent from related trade associations or membership organizations. Any new accreditor would also need to demonstrate that it has accredited institutions for at least two years before receiving recognition from USDE. Finally, while the State would not be able to establish specific parameters for accreditation, it could encourage any new accreditor to abide by certain state laws, such as open-meeting laws.

Recommendations

To ensure that colleges receive consistent and fair treatment and are able to address deficiencies, the chancellor's office should work with the community colleges and request clearer guidance from the commission regarding what actions would allow for the full two-year period in which to remediate concerns and what actions would constitute good cause for extending the time an institution has to address deficiencies beyond two years. In doing so, the chancellor's office should also encourage the commission to specify in its policies those scenarios under which it would exercise the

good cause exception so that institutions would have a better understanding of when they might reasonably expect additional time to address deficiencies.

To ensure that community colleges and the public are fully informed regarding the accreditation process, the chancellor's office should assist community colleges in communicating their concerns to the commission regarding its transparency and in developing proposals for improving the commission's transparency policies and practices. The chancellor's office should also encourage the commission to publish policies describing the role of its staff in the commission's decision-making processes.

To make certain that institutions receive fair treatment in appealing decisions that terminate their accreditation, the chancellor's office should work with the community colleges to advocate that the commission change certain aspects of its appeal process. Specifically, in keeping with the spirit of accreditation, when institutions have taken steps to correct deficiencies that led to the decision to terminate accreditation, the institutions should be allowed to have information on those corrections heard as evidence in their appeal. Further, the commission president's involvement in selecting the appeal panel's counsel should be revisited.

To strengthen institutions' understanding of what they must do to comply with standards, and to provide them with the opportunity to address certain issues that could jeopardize their compliance, the chancellor's office, in collaboration with the community colleges, should encourage the commission to develop formal opportunities for institutions to communicate with and receive feedback from the commission on institutional self-studies and other reports before a formal evaluation takes place. In doing so, the chancellor's office should consider the practices of other regional accreditors and identify those that would best meet the needs of California's community colleges.

Community colleges, as members of the commission, should communicate their concerns about and ideas for improvement of training on the accreditation process to the commission. To provide assurance to colleges that they may suggest this information freely, the chancellor's office should coordinate communication between the commission and the colleges. Further, in order to build collegial relationships, engage new people in the accreditation process, and extend additional training to those already involved in accreditation, the chancellor's office should encourage the commission to develop an annual conference focused on accreditation and oversight.

To allow colleges flexibility in choosing an accreditor, the chancellor's office should:

- Remove language from its regulations naming the commission as the sole accreditor of California community colleges while maintaining the requirement that community colleges be accredited.
- Identify other accreditors who are able to accredit California community colleges or who would be willing to change their scopes to do so.
- Assess the potential costs, risks, and feasibility of creating a new independent accreditor.

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Chapter 2

ALTHOUGH MORE COULD BE DONE TO IDENTIFY INSTITUTIONS AT RISK, THE INSTITUTIONS WE REVIEWED REPORT THAT ACCREDITATION HAS RESULTED IN POSITIVE OUTCOMES

Chapter Summary

The California Community Colleges Chancellor's Office (chancellor's office) could improve its monitoring of community colleges to identify institutions that might be at risk of receiving a sanction from the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission). State law requires the Board of Governors of the California Community Colleges (board of governors) to provide general administration over community college districts, to develop minimum standards for community colleges to receive state aid, and to appoint a chief operating officer known as the chancellor of the California community colleges (chancellor). Pursuant to authority delegated to the chancellor by the board of governors, the chancellor's office oversees various aspects of the community college system. However, according to the deputy chancellor, the chancellor's office conducts limited monitoring to ensure that institutions are meeting the minimum standards the chancellor's office sets and it does not perform on-site monitoring of institutions because it does not have the staff to do so. While the deputy chancellor explained that the fiscal year 2014–15 budget includes new positions for the chancellor's office and the chancellor's office plans to develop indicators to detect when an institution is struggling, it is too soon to tell whether such steps will have a positive effect on accreditation.

California community colleges spend both time and money on accreditation and the four institutions we reviewed generally view accreditation as a means for improvement. Other than payments to the commission for annual membership dues, fees, and visiting teams, which amounted to more than \$500,000 over the last five years for the four institutions we reviewed, those institutions generally do not track accreditation-related expenditures. However, each reported that certain faculty and staff spend time on activities pertaining to accreditation, and two institutions entered into contracts with special trustees specifically to address deficiencies the commission had identified. According to the college presidents, superintendents, and chancellors (college executives) at the four institutions we visited, accreditation is a process that helps the institutions to improve. Finally, the commission's standards relating to student learning outcomes (SLOs), which institutions use to assess students' mastery of the knowledge, skills, and abilities they

gain from the courses they take, appear reasonable. Despite some controversy about their adoption, the four institutions reported they are using these measures to improve classroom learning.

The Chancellor's Office Could Do More to Monitor Community Colleges to Identify Issues That Could Place Their Accreditation at Risk

The chancellor's office oversees various aspects of the community college system. These oversight duties include evaluating and issuing annual reports on institutions' fiscal and educational effectiveness and providing assistance when districts encounter severe management difficulties. The board of governors has adopted regulations describing whether and how the chancellor will intervene in an institution's operations when the institution's fiscal situation is not sound. Further, state law requires that the board of governors develop minimum conditions for institutions to receive state aid. In doing so, state law directs the board to establish and carry out a periodic review of each community college to determine whether it has met the minimum conditions the chancellor's office prescribes.

Although it has the authority, the chancellor's office provides limited monitoring of community colleges to identify problems proactively that could arise during an accreditation review, according to its deputy chancellor. Additionally, there is no on-site monitoring process by which the chancellor's office could send staff to visit an institution. According to an advisory the chancellor's office issued in 2005, it planned to monitor and assess periodically all community college districts' financial condition to determine whether an institution requires preventative management assistance or fiscal crisis intervention. As indicated in the advisory, this assessment would be based on a variety of reports, including quarterly and annual financial reports and reports on attendance. However, the deputy chancellor acknowledged that limited staff resources have not allowed the chancellor's office to fulfill its promise to review every district annually. Rather, the office has had to focus on those institutions facing significant fiscal or operational issues and rely on community college districts to complete their own self-assessment checklist, which is used to determine their fiscal soundness. Currently, if a significant problem arises, for example, if a community college's annual external audit reveals a major finding or if a community college district alerts the chancellor's office to a fiscal crisis, the chancellor's office will find a way to recalibrate its resources to investigate and address the problem. According to the deputy chancellor, more than 10 years ago, the chancellor's office experienced a large cut in its budget, which resulted in the loss of many staff, including fiscal and legal staff.

Limited staff resources has prevented the chancellor's office from reviewing each community college district's financial condition annually.

However, according to the deputy chancellor, the fiscal year 2014–15 budget includes nine new positions for the chancellor’s office. The deputy chancellor reported that these positions will be dedicated to oversight and assistance activities. The chancellor’s office will be developing fiscal and programmatic indicators to detect when an institution is struggling. For example, such indicators could include when an institution is failing to maintain a prudent fiscal reserve, is experiencing a decline in student completion rates, or is under sanction by the commission. The deputy chancellor stated the office will provide oversight and intervention as warranted. While these steps may begin to address the chancellor’s office’s current lack of monitoring, it is too soon to tell whether they will have a positive effect on accreditation.

More thorough monitoring of colleges’ financial status by the chancellor’s office could assist institutions in meeting the commission’s standards regarding college finances. For example, the commission requires that an institution plan for and allocate appropriate resources for the payment of liabilities and future obligations, including *other post-employment benefits*, like medical and dental premiums for retirees. Such a standard could have far-reaching consequences for community colleges. In April 2009 the California State Auditor updated the identification of other post-employment benefits as a high-risk area for the State and noted such benefits will continue to constitute a high risk for the State as long as it continues to use the pay-as-you-go method of funding these costs. In 2007 the Public Employee Post-Employment Benefits Commission surveyed public entities throughout California, including community college districts. Based on the results community college districts reported, the districts had roughly \$2.5 billion in unfunded liabilities for other post-employment benefits. Because the commission’s standard requires institutions to allocate appropriate resources for long-term liabilities, many California community colleges could find themselves on sanction for unfunded liabilities. Additional monitoring on the part of the chancellor’s office could assist institutions with planning for liabilities and avoiding a sanction—or worse—from the commission.

Additional monitoring by the chancellor’s office could assist institutions with planning for liabilities and avoiding a sanction—or worse—from the commission.

Institutions Report That They Invest Resources to Address Accreditation, but Generally They Believe Such Expenditures Are Necessary for the Good of the Institution

The four California community colleges we reviewed invest time and money to improve their respective institutions and to address accreditation. In addition to paying the commission annual membership dues and fees, institutions also have certain faculty and staff, such as those assigned to the position of liaison, which

can spend a considerable amount of their time on accreditation activities. Institutions report that resources in the form of certain faculty members' time are used for various accreditation-related purposes, including serving on committees, and gathering and reviewing evidence for reports the commission requires. Two of the institutions we reviewed also contracted with special trustees to assist them specifically in addressing accreditation-related issues. Additionally, it is imperative for institutions to maintain accreditation because federal law requires that institutions be accredited in order to participate in federal programs that provide financial assistance to students. Finally, the institutions we reviewed report they are using SLOs to improve classroom learning, despite some controversy surrounding their adoption.

Institutions Report That They Devote Time and Money to Accreditation

Institutions pay annual membership dues and fees to the commission. Each of the institutions that we reviewed is a member of the commission and pays annual dues, based on student enrollment at the institution, as described in the Introduction. In addition, institutions compensate the commission for expenses resulting from comprehensive evaluation visits and any special and follow-up visits, such as transportation, lodging, and meals. Finally, the commission charges fees for a variety of other services related to eligibility review, candidacy, and initial accreditation, and related to substantive changes institutions make in operations, such as a change in mission or ownership. Table 3 lists the annual membership dues and fees each of the four institutions we reviewed paid to the commission during the last five years.

Table 3
Payments to the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges
2009 Through 2013
(Dollars Rounded to the Nearest Hundred)

PURPOSE OF PAYMENT	INSTITUTION				TOTAL
	AMERICAN RIVER COLLEGE	CUESTA COLLEGE*	CITY COLLEGE OF SAN FRANCISCO	SOLANO COMMUNITY COLLEGE	
Annual dues	\$135,100	\$87,000	\$146,000	\$89,000	\$457,100
Fees†	6,600	17,600	27,200	20,600	72,000
Totals Paid	\$141,700	\$104,600	\$173,200	\$109,600	\$529,100

Sources: Unaudited accounting records provided by the four institutions we reviewed.

* According to an executive assistant at Cuesta College, the college pays some site visit expenses, such as lodging and meals directly, rather than reimbursing the commission for the cost. Those costs are included in the table.

† Fees include amounts paid for proposals to change an institution's operations, evaluation team site visits, and related expenses.

Although none of the institutions we reviewed generally track accreditation-related expenditures beyond payments for commission dues, fees, and visiting teams, each institution was able to describe investments in staff time and contracts to address accreditation. Each of the institutions we reviewed has a liaison who, along with the college executive, acts as a point of contact for the commission and coordinates accreditation activities at the institution. The liaison typically has other responsibilities. For example, the liaison at American River College (American River) is also the dean of planning, research, and technology, and the liaison at the Community College of San Francisco (CCSF) is also the associate vice chancellor of institutional development. Liaisons at American River and Cuesta College (Cuesta) estimated that accreditation activities take 25 percent to 30 percent and 90 percent of their time, respectively. The difference may be due to the level of activity required when an institution is on sanction. In 2010 the commission reaffirmed American River's accreditation without sanction. In contrast, the commission placed Cuesta on a show cause sanction in 2012, required the college to submit a show cause report later that same year, and required the college to submit a follow-up report in 2013 after the commission removed the college from show cause and placed it on warning. According to Cuesta's liaison, coordinating that effort took a substantial amount of her time; once the college returns to a normal accreditation cycle, she estimates the amount of time she spends on accreditation activities will decrease.

In addition, developing required accreditation reports such as the institution's midterm report or the self-study report can require substantial activity on the part of certain faculty and staff. According to the liaison at American River, for example, before work on the self-study begins, the college convenes an accreditation committee composed of members representing all aspects of the institution's operations. In addition, subcommittees assemble evidence and review and address various commission standards. According to the liaison at American River, the district grants several release-time positions for accreditation that are offered to the faculty co-chairs at the colleges, such as the co-chair of its accreditation oversight committee and its SLO coordinator. However, she explained that other faculty or committee chairs do not receive release time because such involvement is part of their professional responsibility and is considered part of their college service, which is specified in the faculty collective bargaining agreement. In another example, Solano Community College (Solano) has a full-time accreditation coordinator, in addition to the college's liaison; the coordinator is tasked with being the point person for campus staff regarding accreditation, overseeing committees for accreditation purposes, and writing all accreditation reports. According to the liaison at Cuesta, more

than 100 people have been involved with the 2014 self-study. Between 2010 and 2013 Cuesta also reported that it spent more than \$155,000 on consulting to assist with the college's work to address recommendations from the commission.

Further, two of the institutions we reviewed contracted with special trustees to assist them in addressing accreditation-related issues. In January 2009 Solano contracted for a special trustee charged with reviewing and monitoring the operations of the college, among other activities. The college reported that the contract cost the campus more than \$400,000 and was in effect from January 2009 through July 2011. Similarly, in October 2012, CCSF contracted with a special trustee to review and monitor the operations of the college. In July 2013 the chancellor retained the same special trustee to take over the rights, duties, and powers of the college's governing board. The total payments under contracts for the CCSF special trustee from October 2012 through April 2014 totaled approximately \$332,000.

Institutions Generally Believe Accreditation Helps Institutions Improve and It Allows Them to Receive Federal Funds as a Result

College executives at each of the institutions we reviewed stated that the accreditation process identifies areas where institutions need to improve. The interim president at American River described the accreditation process as a method of continuous improvement. The president at Solano stated that many of the changes the college made as a result of recommendations related to its finances and governance were things the college should have been doing regardless of accreditation. At CCSF, the chancellor acknowledged that the college generally agreed with the commission's recommendations. Finally, at Cuesta, the president stated that while he was surprised that the institution was placed on show cause, the commission's recommendations identified significant areas for improvement.

According to federal law, institutions and the students they serve cannot receive federal funds unless the institutions have accreditation from a federally recognized accreditor, such as the commission.

A major benefit of accreditation is that it provides institutions with the ability to qualify for federal financial aid. According to federal law, institutions and the students they serve cannot receive federal funds unless the institutions have accreditation from a federally recognized accreditor, such as the commission. Students receive assistance through federal programs such as Pell grants and Supplemental Educational Opportunity grants, and through the William D. Ford Direct Loan Program. According to its annual financial reports for fiscal years 2008–09 through 2012–13, CCSF disbursed a total of almost \$154 million in awards under the Pell Grant program, which provides grants to eligible undergraduate postsecondary students who have demonstrated financial need to

help meet educational expenses. Likewise, Cuesta disbursed more than \$30 million, Solano disbursed more than \$44 million, and the Los Rios Community College District—American River is the largest of the district’s four colleges—disbursed more than \$386 million under the Pell Grant program. Without accreditation, these institutions would not have access to these funds or other federal programs such as Work-Study or Perkins Loans, and this could significantly impact their enrollment to the extent students need federal financial assistance to obtain a college education.

Institutions Report That They Are Using Student Learning Outcomes to Identify Ways to Improve Courses

According to the commission, to promote student learning and institutional effectiveness, an institution should collect and use data to assess its own effectiveness and develop and implement plans to improve student achievement and student learning. In addition, the commission’s standards require assessment of institutional effectiveness, in part, according to SLOs. The commission defines *student achievement* as “student progress through the institution,” which includes measures such as course and program completion and graduation and transfer rates. The commission and the other regional accreditors whose standards we reviewed use SLOs to assess student mastery of the knowledge, skills, abilities, and competencies identified by those designing the educational experience of the institution.

The commission uses SLOs to assess student mastery of the knowledge, skills, abilities, and competencies identified by those designing the educational experience of the institution.

There has been some controversy in California surrounding the adoption of SLOs, but the institutions we reviewed generally expressed positive opinions about their use. Criticism has included the perception that creating SLOs is time-consuming for faculty and that the costs of compliance take time away from educating students and operating campuses. Other criticism suggests that SLOs limit the academic freedom of faculty. However, according to the SLO coordinator at American River, SLOs describe minimal competencies that a student should possess after passing a course at a level that faculty can agree upon. He explained that faculty still have academic freedom because SLOs do not dictate the manner in which professors teach their courses. At Solano, the SLO coordinator stated that making the SLO assessment process formal is a good idea, as good faculty know what they want a student to learn.

Each campus we visited employed at least one SLO coordinator. The coordinators are faculty members who are allowed time away from teaching responsibilities to assist campus faculty with developing and administering SLOs. For example, Solano’s coordinator has been allocated 40 percent of a full-time position

in the fall 2013 and spring 2014 semesters for SLO activities. CCSF, on the other hand, provided each of its coordinators with 60 percent of a full-time position during the 2013–14 school year. Further, according to Cuesta’s institutional research director, the SLO movement has caused a large increase in his workload. As a result, the college has hired a research assistant who, Cuesta’s institutional research director estimates, spends 60 percent to 70 percent of her time on SLO-related activities.

Likewise, the amount of time institutions estimated other faculty spend on SLOs varies. For example, the SLO coordinator at American River stated that it is anticipated that faculty at its campus will take about 15 to 20 minutes per course every three years in order to comply with the SLO requirements and an additional 15 minutes per course for description of assessment activities. In contrast, the SLO co-coordinators at Cuesta estimated that each faculty member should spend 10 to 15 hours per semester on SLO compliance. Further, an SLO coordinator at CCSF stated that it is difficult to quantify the average number of hours per semester that each faculty member spends on SLO compliance, but the coordinator explained that there can be variances based on the role of the faculty member and the fact that some faculty have the assessment process more streamlined than others.

The discrepancy in time spent on SLOs may be due in part to the length of time schools have worked on compliance with SLO standards. For example, CCSF indicated it is difficult to quantify the time faculty spend on SLOs. The SLO coordinator conceded that the campus was behind in implementing them and noted that CCSF has only recently developed an SLO handbook that would, for example, explain how to create a quality outcome and how to measure that outcome. She indicated the college also recently invested in assessment reporting software to help it track and report curriculum, assessment, and program review data and the system is scheduled to be fully operational in fall 2014. Conversely, at American River, the SLO coordinator stated that the district began hearing about SLOs in 2002. The college has a computerized process to compare assessment methods, which consists of a checklist of measures that faculty most often state that they use. According to the SLO coordinator, this template makes report writing easier and faster. He further indicated that the evidence-based culture on the campus made it easier for the college to adopt SLOs.

The commission’s standards relating to SLOs appear reasonable. Other accreditors’ standards that we reviewed pertaining to SLOs generally appear similar to those of the commission, and in some cases, those accreditors have been using SLOs for some time. The president of the Middle States Commission on Higher Education

explained that although SLOs have been in its standards since 2004, it has documentation dating back to 1953 regarding SLOs. According to the vice president for legal and government affairs of the North Central Association of Colleges and Schools, Higher Learning Commission, assessment of student learning outcomes was implemented in its region in the early 1990s. In contrast, the commission first included SLOs in its standards in 2002 and gave institutions roughly 10 years to demonstrate proficiency in implementation. The commission also provided institutions with a rubric describing the characteristics they would need to demonstrate to attain proficiency in SLOs by 2012.

Each of the four institutions we reviewed provided examples of how certain faculty have used SLOs to identify needed improvements to college courses. American River's SLO coordinator stated that the use of SLOs has led to constructive curriculum changes within departments at the college, and, based on certain examples, this appears to be the case at each of the other three colleges we reviewed. For instance, according to an SLO co-coordinator at Cuesta, the biology faculty used SLO assessments to show that the ability of students in a botany course to analyze lifecycles of organisms improved dramatically after changing from one textbook to another. At CCSF faculty reported that they revised laboratory assignments to engage students in groups and improve their ability to communicate geologic concepts. At Solano, based on the program assessment of certain mathematics courses, it was identified that mathematics faculty should be devoting additional attention to assisting students with communicating the results of analyses, while at American River, psychology and human services faculty identified the need to develop a matrix to help students be better able to compare various research methods.

Recommendation

The chancellor's office should monitor community colleges for issues that may jeopardize accreditation. To the extent that the chancellor's office believes it needs additional staff to accomplish this task, it should develop a proposal for the fiscal year 2015–16 budget cycle that identifies the specific activities it would undertake to find and correct issues that could lead to sanctions of the community colleges and identify the staffing level needed to conduct those activities.

We conducted this audit under the authority vested in the California State Auditor by Section 8543 et seq. of the California Government Code and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives specified in the scope section of the report. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,



ELAINE M. HOWLE, CPA
State Auditor

Date: June 26, 2014

Staff: Laura G. Kearney, Project Manager
John Lewis, MPA
Tamar Lazarus, MPPA
Charles H. Meadows III
Derek J. Sinutko, PhD
Karen Wells

Legal Counsel: Donna Neville, Chief Counsel
J. Christopher Dawson

For questions regarding the contents of this report, please contact Margarita Fernández, Chief of Public Affairs, at 916.445.0255.

Appendix

SURVEY RESPONSES FROM THE CALIFORNIA COMMUNITY COLLEGES

Table A beginning on the following page in this Appendix summarizes the responses to an online survey on the accreditation process of the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission) for California's community colleges. We sent the survey to the institutions' presidents, superintendents, or chancellors (college executives). Using contact information we obtained from the California Community Colleges Chancellor's Office, we distributed the survey to all 112 college executives and received responses from 78, representing 70 percent of the institutions.

We developed questions to determine whether the institutions had an opportunity to review the membership of evaluation teams before a site visit; whether the institutions had concerns about the evaluation team reports, recommendations, and sanctions; and the institutions' overall opinion of the accreditation process. Specifically, the questions asked the college executives to reflect on three topic areas: their institution's satisfaction with the composition of the evaluation teams; their institution's impressions of the evaluation team's findings and recommendations, and the commission's subsequent actions; and their institution's overall satisfaction with the commission. We gave college executives the opportunity to keep their responses confidential. Nearly 86 percent of respondents requested confidentiality.

Key Results From Responding Executives Regarding the Accreditation Process

As shown in Table A, we asked respondents to answer questions about the accreditation process. Key observations from the results of the survey include the following:

- Eighty-four percent believed the expertise and quality of the team assembled for their last comprehensive accreditation site visit was appropriate to conduct the visit; 86 percent felt similarly about the team or teams assembled to conduct follow-up visits.
 - Of those who disagreed, 83 percent believed their comprehensive evaluation team had not received adequate training and 63 percent believed their follow-up team was not sufficiently trained.
- Eighty-eight percent believed the recommendations the commission made to their college were reasonable.

- Fifty-five percent said the commission needs to provide better guidance, without being overly prescriptive, to colleges on how to meet standards.
- Thirty-eight percent said the commission's decision-making process regarding accreditation was not appropriately transparent.
- Thirty-four percent said the commission needs to provide additional training for colleges on how to navigate the accreditation process.

The survey included 29 questions, the majority of which are listed in the following table. Additional questions addressed a variety of topics including verification of a respondent's identity, the length of the respondent's tenure as chief executive officer, and whether a respondent requested that his or her responses remain private and confidential. Also included were several open-ended questions regarding: the nature of the changes the commission made to the composition of the evaluation or follow-up teams, differences between the draft evaluation team report and the final evaluation team report, whether the sanction a college received seemed consistent with the college's expectations, the recommendations and sanctions of the accreditation commission, the commission's accreditation standards and guidance for meeting those standards, suggestions for changing the accreditation process to make it more or less transparent, the commission's training on the accreditation process, and any suggested changes to the accreditation process.

Table A
Survey Results From the California Community Colleges

Prior to a site visit, the commission's policy is to share the names and biographies of potential members of evaluation teams and allow colleges to identify those who may have a conflict of interest. Based on the evaluation team during your last comprehensive evaluation site visit and any subsequent follow-up visits, did your college identify any individuals whom you believed had a conflict of interest?

RESPONSE	COUNT	PERCENT
Yes, and the commission removed those individuals.	2	3%
Yes, and the commission did not remove those individuals.	2	3
No, the college felt the individuals did not have conflicts of interest.	69	88
No, the accreditation commission did not give the college an opportunity to review the members of the evaluation team.	5	6
Total Responses	78	

During the last comprehensive evaluation site visit to your college and any subsequent follow-up visits, did the college raise concerns about the composition of the teams with the commission for any reasons other than a conflict of interest?

RESPONSE	COUNT	PERCENT
Yes, and the commission changed the composition of the team.	6	8%
Yes, and the commission did not change the composition of the team.	5	6
No, the college felt the team composition did not need to change.	63	81
No, the accreditation commission did not give the college an opportunity to review the members of the evaluation team.	4	5
Total Responses	78	

If the commission made one or more changes to the composition of the evaluation or follow-up teams, regardless of whether your college requested the change(s), was your college satisfied with the change(s)?

RESPONSE	COUNT	PERCENT
Yes	20	26%
No	6	8
There were no changes to the composition of the evaluation teams.	51	66
Total Responses	77	

Based on the expertise and quality of the team assembled for the last comprehensive accreditation site visit, did your college feel the team was appropriate to conduct the accreditation site visit?

RESPONSE	COUNT	PERCENT
Yes	64	84%
No	12	16
Total Responses	76	

What are the reasons the team was not appropriate? (check all that apply)

RESPONSE	COUNT	PERCENT
Too many administrators on the team.	1	8%
Too many faculty on the team.	0	0
Not enough administrators on the team.	0	0
Not enough faculty on the team.	2	17
Team was too large.	1	0
Team was too small.	1	17
Team lacked financial expertise.	3	25
Team had not received adequate training.	10	83
Other	10	83
Total Responses	28	

Based on the expertise and quality of the team or teams assembled for follow-up visits to your college from 2009 through 2013, does your college feel the team or teams were appropriate to conduct the follow-up visit(s)?

RESPONSE	COUNT	PERCENT
Yes	49	64%
No	8	11
My college did not have any follow-up visits between 2009 and 2013.	19	25
Total Responses	76	

What were the reasons the follow-up team or teams was or were inappropriate? (check all that apply)

RESPONSE	COUNT	PERCENT
Too many administrators on the team.	0	0%
Too many faculty on the team.	0	0
Not enough administrators on the team.	0	0
Not enough faculty on the team.	1	13
Team was too large.	0	0
Team was too small.	0	0
Team lacked expertise related to the specific recommendations it was reviewing.	2	25
Team had not received adequate training.	5	63
Other	6	75
Total Responses	14	

continued on next page...

After a visiting evaluation team completes its work, the team meets with college officials and the team chair provides an overview of the team's findings and recommendations. After the visit, the commission provides the college with a draft report with the recommendations of the visiting team, so that the college may correct any errors of fact. Based on your college's most recent comprehensive evaluation, did the recommendations given to your college in the draft report reflect the overview the team chair provided?

RESPONSE	COUNT	PERCENT
Yes	65	86%
No	11	14
Total Responses	76	

After a visiting evaluation team completes its work, the commission provides the college with a draft report with the recommendations of the visiting team so that the college may correct any errors of fact. Based on your college's most recent comprehensive evaluation, did the recommendations change between the draft evaluation team report and the final evaluation team report?

RESPONSE	COUNT	PERCENT
Yes	14	18%
No	62	82
Total Responses	76	

Was the level of sanction following your college's most recent comprehensive evaluation (Warning, Probation, or Show Cause) inconsistent with the recommendations your college received in the evaluation team reports?

Response	Count	Percent
Yes	5	7%
No	37	49
My college was not sanctioned.	34	45
Total Responses	76	

Overall, does your college believe that recommendations made by the commission to your college between 2009 and 2013 were reasonable? In this case, "reasonable" means that the accreditation commission appropriately identified issues and concerns, and its recommendations seemed related to the issues it identified.

RESPONSE	COUNT	PERCENT
Yes	66	88%
No	9	12
Total Responses	75	

Which statement best describes your opinion of the commission's interpretation of its accreditation standards?

RESPONSE	COUNT	PERCENT
The commission needs to be more prescriptive and tell colleges specifically what actions they must take to meet standards.	7	9%
The commission needs to provide better guidance, without being overly prescriptive, to colleges on how to meet standards.	41	55
The commission provides each college with appropriate guidance on how it should meet the standards without recommendations being overly specific.	25	34
The commission provides each college with too much guidance on how it should meet the standards.	1	1
Total Responses	74	

Is the commission's decision-making process regarding accreditation appropriately transparent?

RESPONSE	COUNT	PERCENT
Yes	46	62%
No	28	38
Total Responses	74	

The commission provides training both on its own and through participation in various organizations. Based on the value of the commission's training on helping your college navigate the accreditation process, with which of the following statements do you agree? (check all that apply)

RESPONSE	COUNT	PERCENT
The commission's training helps colleges navigate the accreditation process.	38	39%
The commission's training does not help colleges navigate the accreditation process.	8	8
There is an adequate amount of training to help colleges navigate the accreditation process.	18	19
The commission needs to provide additional training for colleges on how to navigate the accreditation process.	33	34
Total Responses	97	

Source: California State Auditor's analysis of survey responses from the presidents, superintendents, or chancellors of California community colleges.

Note: Not all respondents answered every question and some questions called for individuals to select more than one response; thus, the total response count varies by question. Further, the percent total for some questions is greater than 100 because respondents were given the option to select more than one response.

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STATE OF CALIFORNIA

BRICE W. HARRIS, CHANCELLOR

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

1102 Q STREET, SUITE 4554
SACRAMENTO, CA 95811-6549
(916) 445-8752
<http://www.cccco.edu>



June 10, 2014

Ms. Elaine Howle, State Auditor*
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

RE: California Community College Accreditation Draft Audit Report

Dear Ms. Howle:

The California Community Colleges Chancellor's Office appreciates the opportunity to review and comment on your report on *California Community Colleges Accreditation*. In general, we find the report to be a thorough and accurate description of the accreditation process, the circumstances and events related to City College of San Francisco's accreditation crisis, and the workings of the Chancellor's Office. The report effectively raises a number of significant public policy concerns that warrant attention by all involved parties and we look forward to working to ensure these deficiencies are addressed.

While generally concurring in the report's findings and recommendations, I would offer the following specific comments and concerns:

1. While we support the recommendation that the Chancellor's Office, in collaboration with the colleges, should encourage the Accrediting Commission for Community and Junior Colleges (ACCJC) to amend its processes, it is important to note that my office does not have direct control over the Commission. As noted in the report, ACCJC operates under the authority of the United States Department of Education and is funded by dues from the community colleges. As such, neither the State of California nor the Chancellor's Office has direct authority over the Commission. We concur with the report's finding that my office should lead an effort to engage ACCJC on behalf of the community colleges

* California State Auditor's comment appears on page 69.

and the State and will endeavor to do so. As we do, we ask you and other state leaders to be aware of the nature of our relationship with the Commission.

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2. The recommendation to allow colleges flexibility in choosing an accreditor should not be pursued. We have significant concerns that such a policy change would lead to negative consequences, most centrally by applying different rules and standards to our colleges, depending on a college's accreditor. This could lead to numerous undesired effects, including: 1) reduced transparency for students and the public seeking to understand a college's accreditation status; 2) reduced employee mobility in the community college system due to variation of standards and processes in different accrediting agencies; and 3) added challenges in effectively overseeing the colleges.
3. As noted in the report, the Governor's Budget proposed additional staffing and resources for the Chancellor's Office to provide technical assistance to colleges. We are hopeful that this proposal is sustained in the final budget and we look forward to playing a more proactive role in helping our colleges succeed.

Again, we appreciate the opportunity to review and comment on this report. We look forward to working with you and your staff in the future.

If you have any questions, please contact me at (916) 323-7007.

Sincerely,



Erik Skinner

Deputy Chancellor

Comment

CALIFORNIA STATE AUDITOR'S COMMENT ON THE RESPONSE FROM THE CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

To provide clarity and perspective, we are commenting on the response of the California Community Colleges Chancellor's Office (chancellor's office) to our audit. The number below corresponds to the number we have placed in the margin of the response from the chancellor's office.

We disagree that this recommendation should not be pursued and that allowing colleges flexibility in choosing an accreditor would reduce transparency and employee mobility in the community college system. First, as we discuss on page 47, the State could encourage a new accreditor to operate in a more transparent manner. Also, as we discuss on page 10, federal regulations require that standards be widely accepted by educators and educational institutions. Further, U.S. Department of Education's recognition process would provide some consistency in standards. In the interest of increased transparency in the accreditation process, we believe the chancellor's office should explore the feasibility of additional choices.

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**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

Chairperson
SHERRILL L. AMADOR
Public Member

Vice Chairperson
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Administration

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Associate Vice President
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Associate Vice President
NORVAL WELLSFRY

June 9, 2014

Ms. Elaine M. Howle, CPA
California State Auditor*
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

Dear Ms. Howle:

On June 4, 2014, the Accrediting Commission for Community and Junior Colleges (ACCJC) received a redacted draft copy of an audit report, titled "California Community College Accreditation: Colleges Are Treated Inconsistently and Opportunities Exist for Improvement in the Accreditation Process."

Even though ACCJC was not given sufficient time to review and comment on the report, ACCJC notes that the auditor concluded that no state laws were violated by ACCJC. That is important to note since one of the mandates of the State Auditor from the legislature was to examine and report on whether ACCJC had been violating any state laws.

Moreover, the report is factually inaccurate, is incomplete, and, as noted in the auditor's scope of work, did not include an audit of the processes and practices of ACCJC, a federally recognized regional accreditor because the State Auditor admitted that it lacks the legal authority to conduct such an audit. With respect to the comments on City College of San Francisco (CCSF) in particular, ACCJC informed the State Auditor at the outset of the audit that ACCJC was involved in litigation involving CCSF and for that reason could not comment on any specific allegations that might appear in the pending lawsuits. That fact did not deter the State Auditor from selecting CCSF as one of the institutions it examined although the legislative mandate that served as the basis for this audit did not ask that it do so. ACCJC notes that the state auditor appears to have used many of the false and harmful allegations in those lawsuits as an agenda from which to examine and analyze the actions of ACCJC. From that agenda, the audit then draws conclusions that demonstrate a complete misunderstanding of the facts and of federal law and regulations as they apply to ACCJC. The factual inaccuracies and the harmful nature of many of those comments are defamatory against ACCJC. ACCJC also notes that the auditor chose to

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* California State Auditor's comments begin on page 73.

⑤ ⑥ codify media reports and substitute that information instead of facts that can sustain the scrutiny of audit standards for evidence. The report shows a complete void in understanding of federal law or jurisdiction in matters regarding the operations of regional accreditors like ACCJC.

⑥ ⑦ ACCJC recognizes that the Auditor and her assigned team members do not have the expertise to conduct an audit of the type that was undertaken in this instance. Audit standards require auditors to have independence and technical competence to conduct an audit prior to conducting an audit. The report demonstrates that these audit standards were not met. There is no indication from the report that any of the members of the team had the experience or competence to express opinions regarding matters of accreditation, matters involving the decisions that ACCJC made that relate to CCSF, or about legal matters that involve federal law and regulations. For all of these reasons, such comments in the audit should be viewed only as the personal opinions of the team.

Sincerely,



Barbara A. Beno, Ph.D.
President

BAB/cms

cc: Laura Kearney, Project Manager
Office of the California State Auditor

Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE ACCREDITING COMMISSION FOR COMMUNITY AND JUNIOR COLLEGES, WESTERN ASSOCIATION OF SCHOOLS AND COLLEGES

To provide clarity and perspective, we are commenting on the response of the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (commission) to our audit. The numbers below correspond to the numbers we have placed in the margin of the response from the commission.

The commission's statement that we concluded "no state laws were violated" grossly mischaracterizes our conclusions on page 18, where we discuss our examination of two narrowly focused questions the Legislature asked us to address (see page 19, Objectives 2d and 2e). Mindful of the ongoing litigation in the *People of the State of California v. Accrediting Commission for Community and Junior Colleges* (Case No. CGC-13-533693), wherein the San Francisco city attorney alleges that the commission engaged in unfair business practices, we offer no opinion whatsoever regarding this allegation and, instead, as always with pending litigation, defer to the court to make that determination.

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The commission's claim that the report is factually inaccurate is disingenuous in light of the numerous opportunities we gave the commission to contribute to and confirm the accuracy of our report. Throughout the audit process, we confirmed our understanding of information we received from the commission in writing. We also met with President Beno and Dr. Johns, Vice President of Policy and Research, personally to brief them on parts of the report that were based on information or perspective that they shared with us, and asked them to inform us if anything we proposed to publish was inaccurate or mischaracterized their perspectives. At no point did they contact us during our fieldwork or the five-business-day review period to discuss their perception of inaccuracies in the draft report. It is ironic that the commission at once accuses the state auditor of publishing an incomplete report when it is the commission's own refusal to provide certain information that required our office to disclose the inability to report more fully on certain issues. We describe the commission's refusal to produce its contracts and its unwillingness to provide other information in the Scope and Methodology section on page 18. The commission declined to do so despite written assurances from our office that we would maintain the confidentiality of that information, consistent with law.

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- ③ The commission's assertion that the "State Auditor admitted it lacked legal authority to conduct the audit" is absolutely false. In performing this audit, the state auditor acted squarely within her statutory authority, and at no point did the California State Auditor (state auditor) or her staff represent that the state auditor lacked legal authority to perform the work.
- ④ The commission suggests that the state auditor's selection of City College of San Francisco (CCSF) as part of this audit shows that the state auditor had an "agenda." Nothing could be farther from the truth. In selecting CCSF, the largest community college in California serving roughly 80,000 students in the 2012–13 academic year, we performed our own independent, unbiased analysis based on the facts. To the extent that our report describes any of the allegations set forth in the ongoing litigation over CCSF's accreditation, it does so to provide the Legislature and the public with appropriate context. The decision to select CCSF as part of this audit was entirely within the state auditor's discretion. As we are required to do on all audits when there is ongoing litigation, we plan and conduct our audit and report our audit findings in a way that will not interfere with ongoing litigation.
- ⑤ With respect to the claim that these so-called inaccuracies are defamatory, well-established case law makes clear that, as a matter of law, our statements in conducting investigative audits are protected by absolute privilege. This privilege is designed to encourage truthful reporting that will inform the public and policy makers.
- ⑥ The commission also makes the baseless claim that the state auditor did not comply with generally accepted auditing standards. At every point in the audit the state auditor and her staff diligently adhered to all relevant audit standards.
- ⑦ The commission's spurious accusation that the state auditor's staff did not have sufficient technical and subject matter expertise to conduct this audit as contemplated by audit standards is entirely unwarranted. This is especially so given the very positive comments President Beno and Dr. Johns, Vice President of Policy and Research, made to our staff during the exit conference at which they commended them for their thoroughness and professionalism. As is our customary practice, we sought technical assistance from experts as needed, including from the U.S. Department of Education. Moreover, this audit, like all of our audit work, underwent an extensive and rigorous quality control process that included validating the accuracy of factual and other information and ensuring that our findings were supported by sufficient evidence.