

THE FOLLOWING  
MATERIALS WERE  
ADDED AT THE  
MEETING



**MEMORANDUM**

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**TO:** Lonny Anderson, Chair  
**FROM:** Kevin McCann, Executive Director  
**SUBJ:** SWOCC Consulting Project  
**DATE:** July 7, 2008

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Oregon's community colleges were not created by legislative fiat. Oregon's community colleges were created by local citizens who voted to accept the responsibility to support a college to serve them. At the most basic level, the question before the Southwestern Oregon Community College Board now is what must be done to return the College to a condition that allows it to effectively serve the citizens who created it?

An assessment of the current state of affairs is necessary in order to determine what must be done, and what must be avoided, to move constructively ahead. A part of this assessment must be an examination of the relationships and patterns of human conduct that may have contributed to a state of dysfunction. However, it is not our intention in this process to undertake a detailed fact-finding in order to document misconduct, malfeasance, or insubordination. Instead we will focus exclusively on the facts that can explain the underlying cause of the profound disharmony at the College, and to then consider what steps are necessary to remedy the situation. This work may very well lead to issues that involve the job performance of individuals, and these issues will not necessarily be avoided. However, our work will start with broader inquiries and then be led by the evidence as it develops.

The Board is cautioned that disciplinary actions against any individual will require more detailed fact-finding and documentation than is contemplated by this proposal. Additionally, disciplinary actions and collective bargaining typically require due process hearings that will not be a part of this process. If the Board contemplates taking disciplinary action against any employee at any time, it should first contact its labor counsel.

To prepare recommendations for the Board, we will spend a significant amount of time on campus over the next five to six weeks. We will want to interview Dr. Hansen, members of the Board (individually), key faculty, classified, and managerial employees who support the recently passed no-confidence resolutions, key faculty, classified, and managerial employees who do not support the recently passed no-confidence resolutions, community leaders (legislators, media, and K-12 educators), Curry County community leaders, and others who will be determined later. Time will also be made for interviews with employees and citizens who simply want to be heard on the matter.

The interviews will be conducted at the direction of Mike Holland, the Project Team Leader and other policy, legal, and human resources staff from the Oregon School Boards

Association and elsewhere. The role of these individuals will be determined based on achieving outcomes of this process agreed upon with the College. OSBA will be the billing agent for this work. A proposed budget for this project is attached. Those selected to assist will be individuals who are known and trusted; none of these individuals will be from Coos or Curry counties.

In preparing for these interviews, we will want to consult with Kathy Peck, a lawyer who has extensive experience with sensitive personnel issues. We also want to be able to consult with Ms. Peck on other issues that may come up during the course of the work, or during preparations of final recommendations for the Board. Her costs are recognized in the attached budget and billings from her work will be made to OSBA.

This project will need a private room on the College campus from which the Project Team can work. The room assigned should not be in a suite of offices near the President's Office. OSBA will provide its own phones and computers as needed by the Project Team.

The work product that will be delivered to the Board of Education will consist of a narrative that summarizes what are believed to be the causes of the disharmony that now affects the College. It will also set out recommendations that address the root causes. The objective of the recommendations will be to outline choices that, if made, will allow the College to move forward as a collegial and effective institution.

Detailed notes of the individual interviews will not be kept, but interviewees will be asked for their permission to record their interview. Records of interviews that are recorded will be kept by the College's labor counsel and only available through court order or subpoena.

The report from this process will be delivered to the Board Chair upon completion and shall become the property of the Board. The Project Team Leader and relevant team members will attend meetings of the Board as necessary to deliver and explain the report, respond to inquiries and facilitate a move to action. The report will be delivered prior to September 1, 2008.

The cost of this project will be \$40,000 plus travel, meals and lodging expenses. Lodging, meals and travel expenses are estimated to total \$6,000. This is based on 36 person-days to complete interviews at the College, synthesize the information, determine recommendations, write and present the report as well as advise the board on how to begin implementation.

We look forward to further discussion about this project.



"Dori Brattain"  
<DBrattain@osba.org>  
07/29/2008 12:46 PM

To <landerson@socc.edu>  
cc <Mike.Holland@linnbenton.edu>  
bcc

Subject Letter and List of documents needed

History:

✉ This message has been replied to and forwarded.

Lonny, We will need a copy of the following documents to review for our report to you and your board. I have also attached a DRAFT of the letter to SWOCC community. I will make changes, if any, made by you or Mike and then send you a final draft document for posting.

Employee Handbook  
New Employee Orientation materials  
Benefit plan documents  
Performance Evaluation documents (forms, policies, etc.)  
Terminations in the last 3 years (names and titles)  
CBA's  
Memorandum of Understanding  
Code of Conduct  
Hiring policies and procedures  
Transfers made in the last 3 years (names and positions)  
Employment contracts for employees not in the bargaining units  
Compensation plan documents and salary schedules for non-bargaining unit employees  
Grievance files for grievances in the last 5 years  
List of names and position of new hires and postings and hiring documents (interview notes, offer, etc.)

Policies and administrative rules/regulations

Samples of news releases

Copy of annual or periodic (often two-year) Communication Plan and/or communications policy as adopted by board.

Newsletters sent by college; both external and internal.

Samples of regular email communications (such as an e-newsletter or regular updates) from the president's office to faculty and staff.

Media relations policies and procedures.

Board meeting agendas showing opportunities for public input; i.e., does the board/college build in room at each board meeting for public comment?

Has the college conducted any public opinion surveys, e.g. for bond measures, or "staff climate" in the last 3 years? If so, an executive summary, or survey instrument.

How does the board/college communicate about budget issues? This could be either an explanation, or sample of president's annual budget message.

Does the college have a "key communicator" list of opinion leaders it regularly communicates with? If so, a sample of the type of communication the college sends to this group; or how this group is engaged in the college.

Copies of EEOC and BOLI claims. (previous five years)

Employment related lawsuits or tort notices. (previous five years)

Student related lawsuits or tort notices. (previous five years)

All employment contracts in effect for 2007/08 school year.

Copy of outcomes from focus groups, strategic plan, master plan.

Report on Exempt Task Force outcomes.

Identify who is part of the President's Cabinet. Names and titles needed.

What is the "vision group" and who participants in this group?

What are the stated Core Values of the College?

Audited budgets for previous three years.

Complaints filed by employees, students or others over the last five years

Organizational Chart

Thank you for your assistance with obtaining these documents. Please call me if you have any questions.



0729080penletter.doc

*Memo requested  
of Carole H. on 9-8-08  
submitted to  
Carole H. w/ (copy)  
attached for review*



"Anderson, Lonny"  
<landerson@socc.edu>  
07/30/2008 12:24 PM

To "general-announce" <general-announce@socc.edu>  
cc  
bcc  
Subject OSBA/Board of Education Facilitation Process

The memo below defines the interview process on August 4 and 5 and August 18 and 19. The OSBA team will meet in the recreation center. Please note that there is an off campus contact person. Please feel free to request a meeting time with the team.

DATE: July 30, 2008

TO: **THE SOUTHWESTERN OREGON COMMUNITY  
COLLEGE COMMUNITY**

FROM: **SOUTHWESTERN OREGON COMMUNITY COLLEGE  
BOARD OF EDUCATION**

The Board of Education of Southwestern Oregon Community College has requested that the Oregon School Boards Association assist the Board in review of operations at the College. The OSBA will gather information, listen to all individuals that want to be heard, make recommendations and conclusions, and will work with the Board to develop a plan for resolution. The OSBA has agreed to send a neutral team to the College. The team will meet with various individuals within the College and in the community. In addition, the team will review various organizational procedures within the College. It is the Board's intention to return the focus of the day-to-day operations of the College to its important work of serving the citizens of Coos and Curry counties.

The team will present a report to the Board of Education, with recommendations, not later than September 2, 2008. The team will spend several days on campus and in the community during the month of August. A large number of people will be asked to sit for interviews with a member of the team. If you are not contacted for an interview, but would like to speak with a team member, please contact Melanie Bevens at [mbevans@osba.org](mailto:mbevans@osba.org). Every effort will be made to interview everyone who seeks an interview.

If you want to communicate with the team in writing, please send your communication to Mike Holland at [Mike.Holland@linnbenton.edu](mailto:Mike.Holland@linnbenton.edu). All who write are urged to be as specific as possible; you must identify yourself in the communication (anonymous communications will not be considered).

Communications will not be published or circulated, but confidentiality cannot be assured. The team welcomes any communication you may want to share.

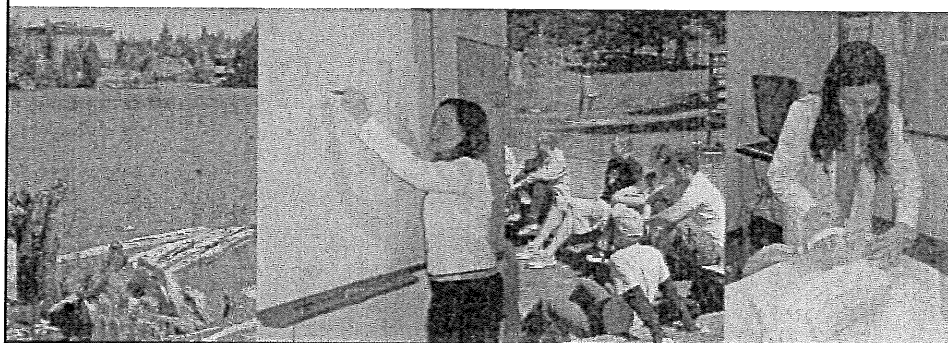
The OSBA team will be led by Michael Holland. Mr. Holland is an attorney and recently retired as the Vice President of Administrative and Student Affairs at Linn-Benton Community College. He also formerly served as the Commissioner for the Oregon Department of Community Colleges and Workforce Development. Other members of the interview team include: Rick Levine, retired President of Rogue Community College, Elizabeth Lundy, Dean of Curriculum and Instruction at Linn-Benton Community College, and Connie Green, retired Dean at Chemeketa Community College. Other members from the office of the OSBA will assist with information analysis and investigation.



# OUTCOMES ASSESSMENT

## Processes for an Effective Future

Presented by Valerie Martínez, Vice President of Instruction and Robin Bunnell, Institutional Researcher  
September 8, 2008

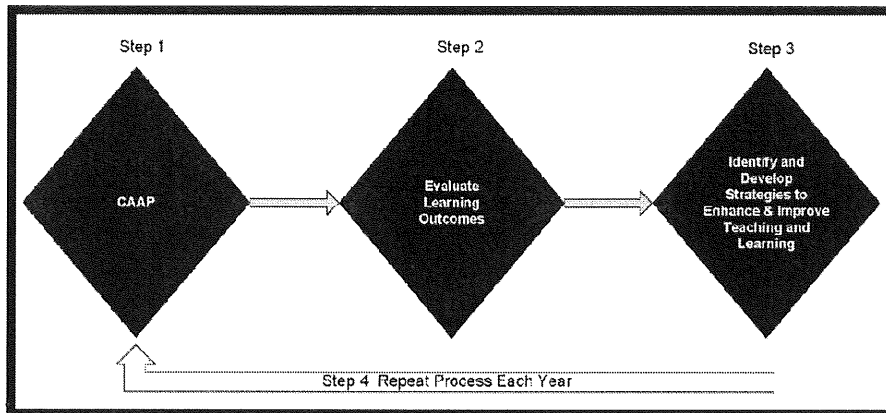


## Student Learning Outcomes

- NWCCU recommendation after interim site visit in 2007
- CAAP – Collegiate Assessment of Academic Performance: 2007 and 2008
- Pre-Accreditation Steering Committee formed
- Spring 2009 visit
- Where we started and where we are going



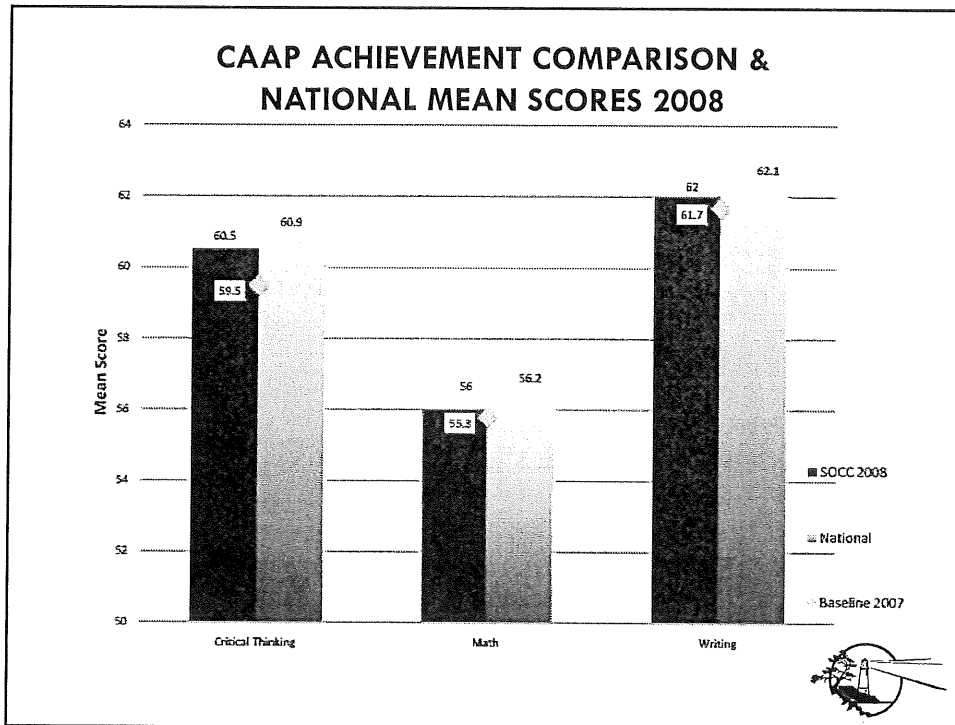
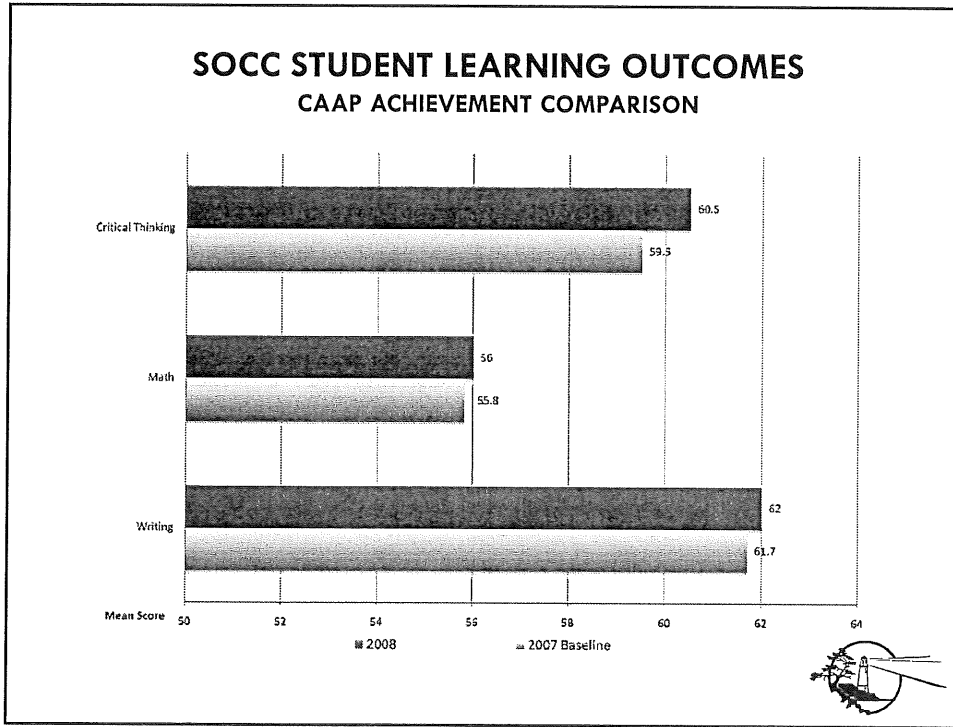
## STUDENT LEARNING OUTCOMES PROCESS



## ACCOMPLISHMENTS TO DATE

- Administered CAAP in 2007 and 2008
- Set baseline scores
- Identified program areas
- 100% participation by program areas to develop strategies to enhance and improve student learning
- Improvement in 2008





## NEXT STEPS

- Fall Term In-Service
  - Meet with instructional and administrative areas on campus to identify outcomes
- October 2008
  - Outcomes website operational
- Winter 2009
  - Student Learning Outcomes published for every program and unit
- Fall and Winter
  - Prepare written NWCCU response
- Spring 2009
  - Host Focused Visit



RW & KW  
w/ Judith,  
Sheldon &  
Ron

SOCC – 6/30/06

#### BUDGETS

- Supplemental budget detail
- Resolutions and ordinances
- Blanket resolution each year at beginning of year.

#### A-133

- Improve Schedule of Financial Assistance – Timely and reconciled
- Business office needs more timely and accurate information from grant coordinators
- Work study – Job descriptions in W/S files with Gina Gregg

#### ACCOUNTING STAFF

- Monthly financial reports for board meetings in advance for proper review to enable adequate discussion
- Financial aid department was understaffed. It was difficult for interim director.
- Imminent turnover, transition, loss of knowledge
- Consider more thoroughly documented procedures
- Audit preparation should be thoroughly completed before the start of audit field work, including final general ledger, and GASB 34 conversions.
- College should strive to have accounting staff continue the educational process and in turn more responsibility and preparation of financial statements and schedules.
- More cross training, especially for three or four key business office personnel.

#### FIXED ASSETS

- Need more timely and accurate information.
- This may require additional assistance or staffing

#### INVENTORY

- Continue monitoring and striving for accurate non-capitalized inventoriable items (laptops, cameras, equipment under \$5,000, etc.)

#### TURNOVER OF GRANT MANAGERS

- Compliance concerns
- Needs some oversight and monitoring

#### OTHER ACCOUNTING MATERS

- Greater detail on journal entries – backup documentation to support them
- Program travel expenditures should say who the travel or food was for with supporting documentation attached to payment voucher.
- Strive to improve travel documentation (evidential matter)

#### REPEAT MANAGEMENT LETTER POINTS

- Collateral
- Accounting manual

Auditors need more accessibility to key employees or management. Keep open all lines of communication. Grant managers are not easily accessible or readily available.

NEW GASB 43 & 45: preparation and background gathering of information for proper and full implementation within two years.

September 29, 2006

To the Board of Education  
Southwestern Oregon Community College District

In compliance with Oregon Municipal Audit Law, we were engaged to audit the fiscal affairs, accounts and financial statements of the Southwestern Oregon Community College District for the year ended June 30, 2006.

Our audit was designed to comply with the requirements of:

- Generally Accepted Auditing Standards
- Oregon Municipal Audit Law and related Administrative Rules
- Government Auditing Standards
- Government Accounting Standards Board (GASB) Statements
- Single Audit OMB Circular A-133

Our audit included examining on a test basis evidence supporting the amounts and disclosures in the basic financial statements. We also assessed the accounting principles used by the College District and evaluated the overall financial statement presentation and internal controls.

In your audit report under Auditor's Comments on pages 67 and 68 you will note that the Southwestern Oregon Community College District's accounting system is adequate and the accounting records are properly maintained. The internal control reports on pages 66, 69 and 70 noted no material weaknesses.

However, during our audit process we noted several recommendations and suggestions whose implementation could strengthen internal controls and enhance the College District's accounting system.

## **1. Accounting System**

### **a. Fixed Assets Subsidiary Journals**

The College District has continued to expend efforts and make strides in identifying, summarizing, and reconciling individual capital items that are in service at the present time. Accomplishments have been achieved in this area with enhancements considered. Annual physical inventories verifying completeness, existence, and additions or deletions of specific fixed asset items, should also continue to be maintained. These procedures, along with accurate depreciation records, are all important with the monitoring of *Governmental Accounting Standards Board's (GASB) Statements No. 34 and 35*.

### **b. Capital Assets Inventory**

The College District should continue monitoring compliance with the policies and procedures controlling capital acquisitions, their inventoriable condition, and intended use. Timely control schedules detailing status, location, availability, and use approval should be accurately maintained, kept, and approved by respective authorized department heads while retained by the business manager's office. Check-in/check-out forms and procedures, containing accurate and complete information at fiscal year end with no personal use, should be closely and thoroughly monitored.

**c. Cash and equivalents controls**

Effective internal controls and careful monitoring of cash activity (part 2b, below) should continue to be emphasized in the cash funds while maintaining the limited access and security controls. Additionally, adequate certificates of participation, securing deposits at financial institutions, should be maintained to ensure complete and continuous insurance coverage.

**2. Office Management**

**a. Accounting Procedures**

State-wide reduced funding and other budgetary constraints have continued to necessitate reduction in staffing considerations making it even more important for key accounting positions and functions to be continuously and accurately maintained. The College District has excellent and competent personnel and staff within the business department, but adequate levels require consideration of priority. This would also enable the providing of timely financial reports to the College's Board and management to be utilized as an effective decision making tool.

The College District should consider more cross-training of accounting personnel in certain accounting procedures (as possible with the necessarily reduced personnel). Other qualified additional staff could also become knowledgeable and proficient in the regular specific tasks performed by those in certain accounting positions. Accounting functions within payroll, receivables, the payables office, and other general accounting system procedures should continue to be learned by more than one employee in case of unexpected leave or turnover. Departments should continue to strive to work together in an environment of cohesiveness and cooperation.

**b. Accounting Manual**

The College District should further develop and update office procedures, specific accounting tasks, checklists, and manuals to further delineate specific processes and detailed requirements, by position. Areas of examples include monthly cash reconciliations, by source and fund, along with timely recording of amortization of all capitalized costs: pension assets, bond discounts and issuance costs, and debt defeasance differences. This would also facilitate monthly financial reports' presentations to the Board and management (part 2a, above). We would be willing to work with the College District on development in these areas.

**c. Other Accounting Matters**

Education should continue to be emphasized in order to maintain knowledge of expertise in current accounting areas. Examples might include applicable governmental standards, budgetary matters, technical accounting issues, and computer update seminars. Continued priority and support to the College District's accounting functions should be emphasized by the Board and Administration especially with the new and existing debt issuances and facility construction projects and continued *Governmental Accounting Standards Board* (GASB) Statement requirements.

**3. Grant Administration**

The College District should continue to enhance monitoring, controls, and procedures regarding federal and state grant programs administration while centralizing oversight, grant agreement retention and documentation maintenance. Quarterly grant meetings should continue to address improved control policies and procedures, such as use of detailed checklists specifying agency and program requirements, while ensuring timely and accurate reporting and compliance, (such as proper matching, meeting allowable cost criteria, and maintaining complete, orderly and readily retrievable documentation.

#### 4. Other Controls Considerations

##### a. Disaster Plan

The College District has made considerable efforts and accomplishments with its Disaster Plan. Further consideration to having the Plan continue to be further analyzed, reviewed, enhanced, and documented could also be addressed. Sufficient and on-going monitoring would also be encouraged.

##### b. Facility Security

The mail room and postal department should consider enhancing security and increasing privacy for confidential information. By limiting access to, and more closely monitoring of, mail boxes, the overnight mail bin, packages and other temporarily stored items tighter controls could be achieved. Locking mail boxes may also be considered if cost effectiveness is feasible.

##### c. Employee Contracts

The College District should require, and more closely monitor, employee contracts to ensure that all are completed, signed, returned, and readily available in the College District's designated files.

The Southwestern Oregon Community College District's business department and management should be commended for efforts and steps taken during the year ended June 30, 2006 to improve and maintain the College District's financial recording, reporting, and overall accounting system.

Thank you for your consideration in these matters, which are recommendations and suggestions intended only for the internal use of the Southwestern Oregon Community College District's President, management, business and finance department personnel, and Board of Education.

Sincerely,



J. Robert Wall, CPA  
Wall & Wall P.C., Certified Public Accountants

November 15, 2007  
SOCC – Meeting with Management

✓ RW, KW  
w/Judith, Shel  
Ron  
11/15/07  
Z.opp

Fixed Assets	Forms to other departments no longer used for monitoring & YE controls.  Ledgers need to be updated & reconciled at YE.  Individual items need to be accurately tracked, monitored, accounted for & safeguarded.  Capital Asset Inventory to be implemented by College..
Accounts Payable	Accurate cut-off procedures should be maintained and monitored.  Decentralized (receiving) Opportunities for integrating PO, receiving & booking payables to be in compliance GAAP.  Under current system – at least suggest a photocopy of partial receipts be sent to AP.
Bank Reconciliations	Lack of controls in system. (staffing) Need third party reviews.
Financial Aid	Training of staff in financial aid  Consistency in files and forms filled out. (Documentation of procedures completed for compliance)
Major Programs to be audited	Trainings in federal compliance with grants – Scheduling

To: The Southwestern Oregon Community College Board of Education  
Date: September 8, 2008

As representatives of the three employee groups of Southwestern Oregon Community College we request to the Southwestern Oregon Community College Board of Education that copies of the recommendations from the OSBA team report, regarding the climate and culture of Southwestern, be made public to all those who wish to have a copy. This request is made on the following basis:

1. Board Chairman, Mr. Lonny Anderson stated during the Board of Education Meeting on June 23, 2008 that this was to be "an evaluation and review of the culture of the college", and repeated this premise in his email to the college community on July 30, 2008 when he stated that "The Board of Education of Southwestern Oregon Community College has requested that the Oregon School Boards Association assist the Board in review of operations at the College, and for them to "review various organizational procedures within the College".
2. Based on the above statements and various discussions during Board of Education meetings over the past eight months, the board has gone out of its way to repeatedly comment that this investigation would be an evaluation of the college culture, and therefore it should not now be construed as a confidential document pertaining only to a personnel issue.
3. Cost of the OSBA teams' evaluation was paid for with public funds and therefore should be considered a public document.
4. The employee groups and residents of the Southwestern Oregon Community College District deserve access to the findings of the OSBA team, and the Southwestern Oregon Community College Board of Education should honor Dr. Hansen's wishes that this process be "open and transparent".

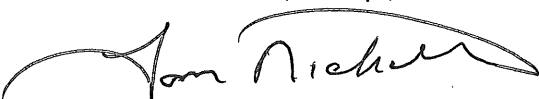
Tim Dailey, President, Faculty Union Local 3190



Wayne Chandler, President, Classified Union Local 3972



Tom Nicholls, Exempt/MASSC Staff Representative



## Preliminary Recommendation for Southwestern Oregon Community College

### Formation of an Audit Committee

The goals of an Audit Committee are to help the Elected Board Members and Management oversee and ensure that the appropriate accounting policies, principles, and internal controls are established and followed, as well as, encourage and facilitate communication between the Elected Board Members, Management, and external auditors.

We recommend that at least a 2 member committee, drawn from the Elected Board Members and Management with the following characteristic, be formed:

- Knowledge of business, budgetary process, and finance
- A good understanding on internal control issues
- The ability to read financial statements and be familiar with basic financial terminology
- and, the willingness to commit the time and effort necessary to do the job

While not necessarily being members of the Audit Committee, the Business Office Manager could be involved with this process and attend meetings of the Committee.

**Discussion between the audit committee and the external auditors will be inclusive of, but not limited to, the following:**

**A. Significant Accounting Policies:**

The audit committee will discuss with the auditors the College's significant accounting policies and how they are applied to the College

**B. Management's Judgments and Accounting Estimates:**

The process used by management in formulating particularly sensitive accounting estimates and the basis for the auditor's conclusion about the reasonableness of those estimates.

**C. College Accounting Principles:**

Consistency of the College's accounting principles and their application, clarity of financial statements and related disclosures, and completeness of the financial statements.

**D. Other Audit Issues or Finance Matters:**

Discuss and review any issues that come up during the audit process that are deemed by the auditors to be of such significance and importance to bring to the attention of the College prior to the Audit Exit Conference with the full Board.

An Audit Committee is becoming an increasingly important and necessary layer in the audit sector as audit standards and provisions continue to become more complex.

### Organizational Structure

The size of the College's management and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum control design and compliance there to.

This situation dictates that the Elected Board Members remain involved, have independent review functions, and provide oversight of the College's financial affairs (a Board representative, and a Member of Management might be good candidates for oversight, monitoring, and review of financial matters).

Exhibit # 12 A 2  
Date September 8, 2008

**Southwestern Oregon Community College District  
Board of Education  
Communications Report**

Submitted by: Rick Osborn, Director of Communications

- Wrote and distributed invitation letters to various organizations and businesses in the community and on campus regarding the Welcome Expo portion of the New Student Orientation.
- Updated Welcome Expo invitation list to include more businesses and organizations offering products and services of specific interest to college students.
- Worked with Beaver Hill Productions to update recruitment videos and advertisements.
- Continued exploring advertising opportunities to maximize potential marketing reach for Southwestern and OCCI in the most cost-effective manner.
- Continued distributing news releases about upcoming events, campus initiatives and Southwestern priorities to local and regional media.
- Initiated discussions relative to planning and timeline for the next academic year's Southwestern Oregon Community College catalog.