

# Southwestern Oregon Community College

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Board Clerk: Patty Scott  
Campus Contact: Deb Nicholls (541) 888-7400, [dnicholls@socc.edu](mailto:dnicholls@socc.edu)

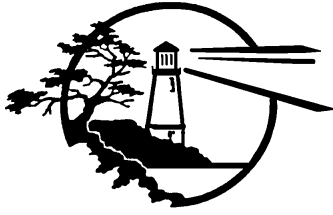
*“Southwestern leads and inspires lifelong learning.”*

**Board of Education**

**Meeting**

**Wednesday, October 15, 2008, 3:00 p.m.**





# Southwestern Oregon Community College

Board Clerk: Patty Scott  
Campus Contact: Deb Nicholls (541) 888-7400, dnicholls@socc.edu

## MEETING AGENDA Board of Education Meeting

Wednesday, October 15, 2008, 3:00 p.m.  
Tioga Hall, Room 505, 1988 Newmark Ave., Coos Bay, Oregon

Action  
Items



1. CALL TO ORDER  
*Chair Anderson*
2. RECESS INTO EXECUTIVE SESSION  
*Pursuant to ORS 192.660 (2 (f) to consider information exempt by law from public inspection and ORS 192.660 (2) (h) Legal Rights*
3. NEW BUSINESS
  - A. Supplementary Budget, #3 A
  - B. Banking Powers, #3 B
  - C. Interim president Scott's duty clarification
  - D. Update for the interim president search with the OSBA.
4. ADJOURNMENT (BP 113)  
*Chair Anderson*



<p>KEY: Shaded Exhibit included in meeting materials * Materials to be distributed at the meeting</p>
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Board policy states that requests must be made by contacting the Clerk of the Board at least seven working days prior to the scheduled meeting. Requests for additions by visitors attending a meeting will be allowed by an affirmative vote of the majority of the Board Members. Time allocations will be at the discretion of the Board Chair.

It is the policy of the Board of Education to adjourn the meeting within three hours unless a motion to continue the meeting is made and approved by a majority vote of the members present.

Exhibit # 3 A  
Date October 15, 2008  
Approved YES\_\_\_ NO\_\_\_  
Motion # \_\_\_\_\_

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

Prepared by: Dr. Sheldon Meyer, Vice President of Administrative Services

**ACTION UNDER CONSIDERATION**

Adopt the fiscal year 2008-2009 supplemental budget for the College.

**DISCUSSION / HISTORY**

ORS 294.480 permits the governing body of a local government to make a supplemental budget for the fiscal year for which the regular budget has been prepared under one or more of the following reasons:

1. An occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year which requires a change in financial planning.
2. A pressing necessity which was not foreseen at the time of the preparation of the budget for the current year which requires prompt action.
3. Funds were made available by another unit of federal, state or local government and the availability of such funds could not have been ascertained at the preparation of the budget for the current year.
4. Other reasons identified per the statutes.

The Board authorized a credit line with Umpqua Bank during the July 28, 2008 meeting for \$1,000,380. This loan is to be acknowledged in the General Fund Debt Service upon repayment through a supplemental budget approval.

The Board authorized a credit line with Umpqua Bank during the September 18, 2008 meeting for \$1.5 million of which \$450,000 was drawn down on September 26, 2008 with the balance to be drawn down on October 7, 2008. This loan is to be acknowledged in the General Fund Debt Service upon repayment through a supplemental budget approval.

**TIMING**

The budget resolutions must be adopted by the Board prior to the repayment of the loan.

The budget publication and this resolution have been reviewed by the College auditors who have been given a copy of the budget document for review prior to the budget committee meeting.

**RECOMMENDATIONS**

BE IT RESOLVED, that the Board of Education, Southwestern Oregon Community College District, by resolution hereby adopts the Fiscal Year 2008-2009 supplemental budget in the amount of \$1,000,380.

BE IT RESOLVED, that the Board of Education, Southwestern Oregon Community College District, by resolution hereby adopts the Fiscal Year 2008-2009 supplemental budget in the amount of \$1.5 million.

BE IT RESOLVED, that the Board of Education, Southwestern Oregon Community College District, by resolution hereby adopts its Fiscal Year 2008-2009 supplemental budget for appropriation purposes, in the following manner:

**GENERAL FUND:**

Loan Proceeds	\$1,000,380
Loan Proceeds	\$1,500,000
Debt Service	
Principal	\$1,000,380
Interest	\$1,946
Debt Service	
Principal	\$1,500,000
Interest	\$3,000

**TOTAL 2008-2009 SUPPLEMENTAL BUDGET APPROPRIATIONS** **\$2,505,326**

**TOTAL 2008-2009 SUPPLEMENTAL BUDGET** \$2,505,326

**BUDGET IMPACT**

This resolution authorizes the 2008-2009 supplemental budget.

\_\_\_\_\_  
Lonny Anderson, Board Chair

\_\_\_\_\_  
Dr. Patty Scott, Interim President

REVISED

Exhibit # 3 B  
Date October 15, 2008  
Approved YES\_\_\_ NO\_\_\_  
Motion # \_\_\_\_\_

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

Prepared by: Dr. Patty Scott, Interim President

**ACTION UNDER CONSIDERATION**

Approve amendment to the College's banking powers with Umpqua Bank to reflect Southwestern staff role changes.

**DISCUSSION/HISTORY**

Southwestern has utilized the services of Umpqua Bank, formerly Security Bank, since the early 1990's. Over time, personnel change, necessitating the update of this banking powers resolution.

**TIMING**

Under Board of Education Policy, the President and Vice President of Administrative Services are designated as custodians of College funds. Also under Board policy, the President is solely authorized to borrow monies for the College. Only the President and Vice President of Administrative Services are authorized to sign checks expending College funds. Other routine banking duties, such as transferring monies between accounts, can be more efficiently done by other College personnel. Umpqua Bank, and prudent fiscal operations, require that the Board of Education recognize banking powers of College employees via a resolution.

**RECOMMENDATIONS**

BE IT RESOLVED, the Board of Education of the Southwestern Oregon Community College District, by resolution, authorizes the following employees in the College's banking arrangements with Umpqua Bank. These changes apply to the following accounts:

General Checking	#55408017
General Checking – Sweep	#55406939
Payroll Checking	#55400955
Brookings Outreach Checking	#55407654
Outreach Savings	#55027502
Pool Account	#550002844
E-Checking	#971871207

Authorized Agents:

- A. Patty M. Scott, Interim President \_\_\_\_\_
- B. Vice President of Administrative Services/CFO \_\_\_\_\_ (vacant)
- C. Ronald O. Olson, Business Manager \_\_\_\_\_
- D. Leigh Stiles, Accounting Technician \_\_\_\_\_
- E. Frances Karroll, Bus Office Fin Aid Accounting Technician \_\_\_\_\_
- F. Cheri Rescorla, Accounts Payable/Bookkeeper \_\_\_\_\_

Powers Granted:

A Exercise all of the powers listed in this resolution.

A,B,C Open any deposit or share account(s) in the name of the college.

A,B Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with Umpqua Bank.

A Borrow money on behalf of the college, sign, execute, and deliver promissory notes or other evidences of indebtedness.

A Endorse, assign, transfer mortgage, or pledge bill receivable, warehouse receipts, bills of lading, stocks, bonds, real estate, or other property now owned or acquired by the college as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated, or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.

A,B,C,D Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in Umpqua Bank.

A,B,C,D,E Transfer funds between college accounts, or to/from any college account and the Local Government Investment Pool.

A,B,C,D,E,F Request a stop payment to any outstanding check issued from any college account.

A,B,C,D,E,F Inquire about various circumstances of any college account, including but not limited to: Account balance and check status.

**BUDGET IMPACT**

There is no net budget impact upon the College, as this is merely a banking authority change of personnel.



THE FOLLOWING  
MATERIALS WERE  
ADDED AT THE  
MEETING

## Executive Summary

### BACKGROUND

The Board of Directors of the Southwestern Oregon Community College was presented with a number of complaints, votes of no confidence and concerns of its own related to the on-going operation and leadership of the College. To try and get an idea of whether or not the concerns had merit it requested the Oregon School Boards Association to conduct an internal review. There were two phases to the internal review: the first phase involved a team of individuals conducting interviews and assessing the perception of College leadership and operations; the second phase involved a review of documents, policies, procedures and some limited interviews. The first phases of the report was delivered on August 23, 2008. Today, October 15, 2008, the second phase of the review will be presented to the College Board of Directors.

### Recommendations

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2. The Board of Directors has begun the process of reconsidering its governance model and its underlying policy structure. This process must continue and one effective way of continuing this process is to begin a full policy review with the assistance of a Board Development and Policy Specialist from the Oregon School Board Association. This process will allow the Board to create working policies and procedures which are compliant with state and federal law and provide effective direction to the College and improve the effectiveness of Board operations.
  3. Performance management systems need to be reviewed and revised to insure consistency of discipline and dismissal procedures, this includes common understanding of due process and progressive discipline standards, review all common disciplinary forms and documents to eliminate any discrepancies and identify steps and procedures to be followed when disciplining or terminating an employee.
  4. Selection procedures need to be further developed to create time lines for the hiring process, how decisions regarding selection are to be made - including what process will be followed when the interview committee is unable to reach a consensus, review and revise selection instruments so they more clearly document and reflect how the final candidate was selected, and develop a process for conducting post-interview reference checks. This process should include training for all managers on how to conduct both effective and legal reference checks.
  5. Develop a separate harassment policy and procedure, separate from the grievance procedure, and include the review of the policy and procedures as part of the new employee orientation program.
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7. The current compensation system needs to be reviewed and revised to: (1) expand the current classification structure to address scope, impact and skill sets ensuring the criteria can objectively measurable with level of low to high clearly defined; (2) creation of a job analysis

questionnaire and formal review of the reclassification process including clarifying the role of human resources staff and the compensation committee; and (3) develop a process to evaluate and measure salary equity including defined goal(s) of the compensation program, definition of equity and identified benchmarks.

8. Considering having a comprehensive communication audit conducted. This will allow the College to more clearly evaluate the effectiveness of its publications, written communication and online content.
9. Develop a crisis communication plan that includes timetables, contact names/emails for staff, rescue and police, plus instructions for all staff, along with College facility floor plans and include a "marketing and media" handbook.
10. Consider the following changes to the College's communication strategy: (1) include key stakeholders in President E-mail communications; (2) create a "News Center" button on the College website to link viewers to all releases from the College; (3) include testimonials from current or former students in each quarterly publication; (4) add a "Thanks to Donor" section in your annual report; and (5) improve the photo quality of the College's internal newsletters.
11. Establish a working resolution between the College and the Coos Bay Police Department related to safety and security procedures for College premises.
12. The College should also consider the creation of a Risk Manager position. This position could provide support College wide in maintaining policies, procedures and operations to reduce risk experienced by the College in day to day activities.
13. The College should adopt policies and procedures specifically addressing the financial operations of the College. Initially policies and procedures should focus on: internal controls (e.g., cash transactions, payment of bills, etc.), purchasing and financial reporting. In addition, the business office staff should develop an accounting handbook and/or written procedure manual for each aspect of daily operations. This will help ensure clear and appropriate internal controls within the Business office.
14. The College should consider continued independent review of performance control measures in the finance department. This will require additional intense interviews with staff, review of daily transactions and procedures utilized.
15. Begin the process of creating a financial plan for the College. This will include enrollment projections, review of capital projects, cash flow analysis and development of a financial forecasting model.

# **Financial Planning, Accounting, Purchasing and Reporting**

## **TEAM MEMBER**

Angie Peterman is the Associate Executive Director of Operational Support Services for Oregon School Boards Association, Executive Director for the Oregon Association of School Business Officials (OASBO) and Vice-president of the Association of School Business Officials International.

Angie is a former business manager for the South Umpqua School District and has thirty-three years of accounting, municipal finance, and district operations experience.

## **DOCUMENTS REQUESTED AND/OR REVIEWED**

1. Board policies and administrative rules
2. 2005-06 through 2008-09 budgets
3. 2004-05 through 2006-07 annual audit reports & management letters
4. 2007-08 preliminary final annual financial statement
5. Monthly cash flow statements 2007-08 and 2008-09 fiscal years
6. Financial planning, accounting, purchasing and reporting self-evaluation
7. Business office handbooks, accounting procedures and manuals
8. 2007-08 general ledger detail
9. 2004-05 through current year FTE actual historic and projected data
10. Organizational chart
11. Strategic plan

## **SCOPE OF REVIEW**

Competent financial management is the hallmark of any successful business operation. The operation of public education is a business of the first magnitude. As demand for public service increase, revenue decreases and citizens demand accountability, it is imperative that educational leadership provide efficient, effective and economic educational services.

Readers of this report should note the observations and opportunities for improvement are based strictly on the review of those documents listed above. No actual interviews of staff were conducted as a part of this process. Therefore, these findings are based on comparing the College's financial programs and services to identified "best practices." As a result, it will be necessary to interview personnel before understanding the full extent of the changes that may be necessary.

This section of the report reviews the budgeting, accounting, payroll, purchasing and other financial management functions of Southwestern Oregon Community College (SOCC).

## **GENERAL OBSERVATIONS**

A significant portion of this report is based upon review of the "Financial Planning, Accounting, Purchasing and Reporting" self-evaluation document that was completed by SOCC business office staff.

During review of board policies, it was noted the College has very few policies regarding finance. In fact, only three policies were specifically identified that relate to finance. They are policies BP 303, 304 and 305. These policies are limited to budget planning, the financial condition of the College in general terms and protection of assets. Administrative rules were requested and a notebook which contained a series of administrative rules that indicated they were no longer applicable was provided. This leads to the assumption no current administrative rules exist related to these financial policies.

The 2004-05 and 2005-06 Management Letters presented to the College in conjunction with their annual financial audit included recommendations to develop accounting manuals and procedures. At the time of this review, staff indicated no such manuals or documented procedures exist.

The past few years have brought various financial challenges to the College as state support funds have declined and requirements have continued to increase at SOCC. The business office and others have experienced reductions in staffing and financial resources. These reductions in resources, both human and financial, likely contribute to the College's inability to adequately address development of procedures manuals and handbooks.

## **Opportunities for Improvement**

### **ORGANIZATION**

#### *Policies and Procedures*

The lack of board policies, administrative rules, accounting handbooks or manuals leave the College without established and documented processes and procedures. This can indicate a lack of adequate internal controls or, at a minimum, leave the College at risk of errors, potential fraud, lost production and chaos. We recommend the College adopt board policies and administrative rules appropriate for the financial operations of the organization. We further recommend business office staff develop an accounting handbook and/or written procedure manuals for each aspect of their daily operations. This will take time and require the commitment of resources, however, this is vital to clear and appropriate internal controls. We recommend SOCC contact other colleges to determine if they have developed similar documents and would be willing share them. SOCC can then utilize these samples as the starting-point for their own documents. OASBO and OSBA may also be able to provide samples of similar documents.

#### *Communication*

A lack of clear lines of communication between the business office, College President and other administration was noted in the self-evaluation. We recommend the College utilize the opportunity to develop policies and procedures to address clear delineation of roles, responsibilities and methods of communication between these stakeholder groups.

#### *Staffing/Professional Development/Technology*

Reductions in staff, a lack of adequate training and lagging technologies were noted during this review process. Although financial resources have not been sufficient to keep pace with increasing requirements in recent years, investments in professional development and current technologies are important to prioritize within your budgets.

We recommend development of a multi-year professional development plan for business office staff. Resources should be allocated to those areas identified as having the most significant and immediate training needs. It was noted that the 2008-09 budget reflects an increase in professional development funding although it was unclear whether these resources are available to all staff or only specific positions. No indication of the priorities established for utilization of these budgetary resources was evident.

We also recommend review of existing technologies and the software being utilized by SOCC. A plan for replacement and/or upgrade of the system should be considered in the review process with resources identified that will be allocated to the project in future years. Outdated technologies, software and untrained personnel can prove to be very costly to an organization over time.

## BUDGET AND FINANCIAL PLANNING

[REDACTED]

A review of recent audits and budgets show a pattern of spending in excess of annual revenues, thus utilizing fund balance or reserves to meet SOCC's on-going financial needs. Between July 1, 2004, and the audit completed on June 30, 2007, the College's General Fund reserves were reduced by nearly 45% to a low of \$809,992. This trend cannot continue indefinitely – at some point, the College reserves will be fully depleted. In addition, the College's current liabilities, specifically accounts payable and accrued payroll taxes, have been increasing in recent years. This is another indication the College is experiencing cash flow problems and potentially out spending their resources.

Another issue which likely creates planning difficulties for the College is the "8th quarter payment" or deferral of state support funds. Legislative changes created a biennial funding mechanism or formula for community colleges that defers or "shifts" the final payment of state support in odd numbered years to the following fiscal year. For example, the payment normally distributed in April 2005 was not distributed until July 2005. When this legislative change was made, colleges were authorized to "accrue" this payment deferral to the preceding fiscal year. In the above example, that allows the College to accrue the state support payment received in July 2005, to June 30, 2005, and avoid the loss of 25% of their annual state support revenue. [REDACTED]

[REDACTED] In reality, the College receives four state support payments in the first year of the biennium then receives three payments in the second year. [REDACTED]

Review of salary agreements indicate the College entered into an agreement with faculty that guarantees salary equity by June 30, 2011. There is no definition of "salary equity" noted in the agreement. This suggests the College is committed to this change, however defined, regardless of the financial condition of the organization at the time. This contract language could have a severe impact on the College's financial condition in the future.

A lack of community and staff involvement in the budgeting, planning and evaluation process were indicated in the self-evaluation. Bringing all stakeholder groups to the table for these discussions will assure their buy-in and afford opportunities for input and problem solving on their part. This facilitates a more collaborate approach to problem solving when issues arise. The 2008-09 budget includes areas of concern which should be reviewed and addressed as soon as possible. [REDACTED]

[REDACTED]

We recommend the College undertake the following:

1. Develop a three to five-year financial forecasting model that includes full-time equivalents for students and takes into consideration the "8th quarter" payment deferral. The College should establish a goal of weaning themselves from the need to accrue this payment back in their budgetary basis financial statements. This will bring the College's budgetary basis statements closer to compliance with GAAP and will allow for better cash flow planning. This planning process should incorporate plans for dealing with revenue shortfalls as well as the reliability of funding from the legislature.
2. Develop an annual cash flow forecasting model and update it on a monthly basis. The cash flow should be presented to the board at least quarterly to apprise them of their current cash flow needs.

3. Establish clear methods for gathering appropriate community and staff input and involvement in the budget preparation process.
4. Expected ongoing increases in student population suggest the College should expand its budget and planning horizon five to ten years. These forecasts should include calculations of both full-time equivalents (FTE) and head counts. FTEs represent the full-time equivalent student count utilized for purposes of computing state support for the College. Students who participate in 510 clock hours of instruction during a 12-week term are considered 1 FTE in this formula. Head counts simply identify the total number of students enrolled in programs with the College, regardless of whether they are taking a single class or a full class load.

While considerable uncertainty exists in such a forecast, the exercise would force managers and board members to consider key budget drivers and alternative fiscal scenarios. For example, such a forecast might address when and whether the rate of student growth will slow. Routinely developing and refining demographic projections will help college leaders anticipate when and where they need new or expanded facilities.

Making explicit assumptions about state and federal revenue would also be constructive. The state's fiscal position will likely be stronger than the federal government's over the next decade, which could force a contraction of some programs and expansions of others. The College can seek assistance in this area from Northwest Regional Education Laboratory and Portland State University's Center for Population Studies for technical assistance.

5. Update the master plan in conjunction with independent enrollment forecasts for the next five to ten years. Significant work was done in developing the master plan and establishing priorities for facilities. Independent study and verification of enrollment forecasts would be valuable in establishing future priorities. The 2008-09 budget includes information in the Plant Fund indicating significant resources have been allocated for facility improvements although it is unclear what the source of funding is for those projects. We recommend any significant work on capital projects through the Plant Fund be suspended until specific resources have been identified and are guaranteed to be available for these projects.
6. Develop a plan to reduce the accrual of the "8th quarter" state support fund payment for budgetary purposes. Although this may require some time and a phasing in of the adjustment, the College should begin the process of recognizing revenue pursuant to GAAP.

7. Estimate the financial impact of current and future salary proposals prior to agreeing to them. In order to assure the College fully understands the long-term economic impact of contract proposals. Although proposals may seem insignificant at the time, they can have far reaching implications.
8. Review of current financial commitments, anticipated resources and comparison to the adopted budget should be completed as soon as possible. With the hiring of a new financial manager, this is an area that should be a top priority when the manager arrives. It may be necessary for the staff and board to consider some mid-year adjustments to the adopted budget.

## **ACCOUNTING, PAYROLL AND PURCHASING**

As noted earlier in this report, the College lacks significant financial policies, procedures or accounting manuals. No internal audit procedures exist for reviewing cash transactions, paid bill lists are not provided to the board and bills are not being paid on a timely basis. Accounts payable and accrued payroll have increased significantly over recent years from \$630,000 at June 30, 2007, to an estimated \$1,525,000 at June 30, 2008. This is an increase of nearly \$900,000 and is indicative of cash flow difficulties.

The self-evaluation indicates purchasing can be performed by virtually any staff member. No policies or procedures are in place to dictate this process and the evaluation indicates purchasing doesn't require the approval of a purchasing agent or the business official. This practice leaves the college exposed to potential abuse and unauthorized purchasing. Nothing found in this review indicates unauthorized purchasing has occurred, however, the potential certainly exists. We recommend the board establish purchasing policies and direct staff to establish purchasing guidelines. Purchasing guidelines should address those small purchases which can be made from petty cash accounts as well as purchases that require formal bid. In addition, we recommend the college develop a letter for vendors outlining approved purchasing procedures and distribute the letter to all vendors at least annually.

## **REPORTING**

No regular financial reporting is made to the board of education regarding actual revenues and expenditures or comparison to budget. Nor are reports of paid bills or cash flow estimates provided. This limits the boards' ability to determine the financial condition of the College on a periodic basis. The cash flow projection provided by staff as part of this review suggest a potential cash flow shortage of as much as \$4,000,000 by June 30, 2008. It is vital the board review and maintain a perspective on this situation as the fiscal year progresses.

We recommend the board establish financial policies that require periodic reporting of financial condition. Monthly financial reports should be provided to the board that include year-to-date actual revenues and expenditures, projected additional revenues and expenditures to year end, estimated annual totals, budget and estimated amount (over) or under budget. Monthly listings of paid bills should be provided as well. Although the board can authorize the President or other staff to obligate the College and pay expenses, it is appropriate for the board to see periodic listings of paid bills. Cash flow statements should be prepared and presented to the board on a quarterly basis. These reports will allow the board to be informed as to the current and anticipated financial condition of the organization. Sample reports are available from OSBA upon request.

We recommend the College seek proposals for audit services when the current contract with their audit firm expires. In reviewing audit documents, it appears the College has utilized the same firm for the past four or five years, if not longer. Although there is no requirement to change auditors, it is an identified best practice to seek proposals for these services on a periodic basis. This allows the organization to consider new perspectives and assure efficient and competitive pricing for the services received.

## CONCLUSION

While there appears to be significant issues identified within the report, the College should not consider them to be overwhelming challenges. You have begun the process of establishing policies through a more traditional governance model which is a significant first step with regard to many of the above recommendations. As it is impossible to truly discern the practices and procedures in place without observing them or discussing them with the staff responsible, we recommend the College consider some additional work in this area. A more extensive performance control review can be performed utilizing the services of OSBA and OASBO or other consultants. This process will involve extensive interviews with business office staff and staff in other key operational areas. The focus of this review would be to determine current practices, review them and make recommendations regarding the need for any further work, such as a forensic audit.

# Communications and Publications Review

## TEAM MEMBER

Shannon Priem, APR, OSBA Communications Officer.

Ms. Priem joined OSBA in 1998 as communications specialist and was named communications officer in 2005. She is responsible for OSBA's communications and marketing programs. She has over 30 years of experience in several fields: reporting and journalism, public education, higher education, government, health care, workers' compensation and journalism.

She received her Bachelor's degree in journalism from the University of Oregon in 1974 and her accreditation in public relations from the National School Public Relations Association in 2000. She is past-president of her local chapter of Public Relations Society of America and past-president of the Oregon School Public Relations Association.

## DOCUMENTS REVIEWED

1. Media relations policy
2. Draft communications plan
3. Samples of internal newsletters
4. Two-year archive of president's email messages to staff (internal)
5. Marketing and Promotion Project Request
6. E-mails to staff from College President
7. Foundation annual report

## SCOPE OF REVIEW

To conduct a valid review of whether these programs effectively reach their target audiences to accomplish the standard goals of increasing public support and student enrollment, focus groups, phone surveys and several in-depth interviews should be conducted. The parameters of this review excluded these tactics. Therefore, our findings are based on comparing the College's communication programs and services to what is considered "best practices" and standard services, along with an interview with the communications director.

## GENERAL OBSERVATIONS

The College's public relations office includes a full-time communications director, graphic designer and part-time administrative assistant (shared with other offices). Staff work closely with the college webmaster, department heads and foundation executive director in creating marketing and communications materials that reflect a solid "brand" for the College. The office reports directly to the President, an essential "best practice" to provide counsel to top administration, while providing services throughout the Colleges' four campuses.

The office provides the full-range of a typical community college's public relations and marketing services that appear very professional and inviting. Judging from the level of responsibility this office has and the productivity evidenced by the materials we reviewed, communications staff have taken on a level of work that could use an extra staff member. According to the Oregon Community College Association and the National School Public Relations Association this staff level and corresponding responsibilities are "sadly typical."

1. News releases on announcements, new offerings, events, accomplishments;
2. Internal communications with staff;
3. External communications with key leaders and public;





## **COURSE CATALOG AND SCHEDULES**

These publications are the “staple” of a community college’s information and registration link to students and community. The annual catalog and “Southwestern Schedule and Campus New” are commendable, comprehensive products that put a professional polish on the college. Information is targeted to spark interest among “all walks” of potential students, from young adults to retirees.

## **NEWS RELEASES**

This is one of the College’s strongest public relations strengths. Judging from the volume and quantity, the communications director clearly has a background in reporting and knows how to craft timely, interesting news releases on a very regular basis. While this report did not compare how “earned media” ranked in local media, we will assume local editors value this service and used the information. Putting all releases on the home page is an excellent tactic.

## **ANNUAL REPORT (INCLUDING FOUNDATION)**

Kudos for putting this online and for keeping it under eight pages and including simple financial information. Information is succinct; excellent use of bulleted details about your partnerships. Excellent choice of content showing the College’s contribution to local economy -- a vital message that builds public support.

## **CONCLUSION**

Southwestern Oregon Community College does an outstanding job promoting its role and value in the community as a vital education provider -- especially in light of a very small public relations staff. The basic elements are in place, including a draft communication plan, which we strongly urge the College to finalize with specific objectives, building in evaluation stages for effectiveness after the first year.


The messages echoed throughout all publications and newsletters show the College as a strong community partner. In general, messages from the President are positive and timely. We cannot comment on the effectiveness of publications, written communications and online content we reviewed because a full audit and assessment of public relations programs involves research, such as confidential surveys and customer interviews.

We can conclude, however, the tools used are considered “best practices” for a college of this size. Because the College conducts surveys of students, we can surmise its services and courses meet changing student needs. Also, the balance of providing BOTH print and online content is indicative of the audience this College serves (young adults through seniors).

If internal/external communications problems exist, these issues can only be uncovered and addressed through a *Comprehensive Communications Audit*.

## **Commendations**

Kudos to the College for having a proactive, positive approach to media relations as shown by the volume of well-written news releases, college services, programs and accomplishments that are well-publicized. The communications director’s background in writing and reporting is evident in the writing quality, timeliness of promotions and choice of topics, based on what typically interests target audiences.



Kudos for putting a plug in newsletters to call the communications director if staff have news release ideas. Also, staff classified ads are a proven way to churn interest in an internal newsletter.

Kudos for putting the annual report online, keeping it under eight pages and including a simple financial information. Information is succinct; excellent use of bulleted details about your partnerships. Excellent choice of content showing the College's contribution to local economy -- a vital message that builds public support.

Southwestern Oregon Community College does an outstanding job promoting its role and value in the community as a vital education provider -- especially in light of a very small public relations staff. The basic elements are in place, including a draft communication plan, which we strongly urge the College to finalize with specific objectives, building in evaluation stages for effectiveness after the first year.

## **Opportunities for Improvement**

If internal/external communications problems exist, these issues can only be uncovered and addressed through a *Comprehensive Communications Audit*. We cannot comment on the effectiveness of publications, written communications and online content we reviewed because a full audit and assessment of public relations programs involves research, such as confidential surveys and customer interviews.

The College should follow up with the Communications Plan after two years, with research involving a random-sample phone survey, online surveys and focus groups. While a communications audit is part of this plan, the concept should be fleshed out to include more research elements such as focus groups and surveys; also the goal should not be just to "test" communication, but to assess how well the college is performing its education mission (if this type of services survey is being conducted through a different department, hopefully this is a joint effort so all departments can benefit from research findings).

The College should review other similar community college crisis communication plans and adapt them to SOCC (no need to re-invent the wheel). This plan should include timetable, contact names/E-mails for staff, rescue and police; plus instructions for all staff, along with college facility floor plans. Also, include in a "marketing and media" handbook.

Create and post on the Intranet, an employee "marketing and media handbook."

Add to the President's E-mail communications messages to key stakeholders such as local superintendents and business leaders.

To avoid cluttering up the College's home page, while still highlighting news releases, create a "News Center" button that links viewers to all your releases. This center should include all the information you want reporters to have, including media access guidelines; contacts that you trust as good spokespeople on "expert" topics.

Consider using at least one (or more) testimonial from current or former students in each quarterly publication, targeting these to the population you want to attract. While the course schedule booklet is nicely designed, it seems a bit old-fashioned; better use of larger high contrast photos would liven up pages (i.e., rather than three small photos, pick one dominant visual).

Add a "thanks to donors" section in your annual report or in your catalog and schedules.

Improve the photo quality in the College's internal newsletters (Some photos are excellent but quality is inconsistent; avoid taking long-shot groups with no focal point).

# Policy Analysis

## TEAM MEMBER

Rick Stucky, Board Development and Policy Services Specialist.

Rick has more than 21 years experience in special education and wide-ranging community service experience. He served on the Salem city council from 2001-2007 and on the Salem Planning Commission. He is president of a nonprofit organization with more than 100 housing units for low-income families.

Rick earned his bachelor's degree in business from the University of Evansville, Indiana, a master's degree in special education from the University of Northern Colorado and education administration credentials from Portland State University.

## DOCUMENTS REVIEWED

1. Southwestern Oregon Community College Board of Education Board Policies
2. Navigator, Full and Part-time Faculty Handbook 2007-2008
3. Southwestern Oregon Community College Employee Handbook 2007-2008

## GENERAL OBSERVATIONS

This section compares the Policy Governance Model of Southwestern Oregon Community College (SOCC) with OSBA's policy model and analyzes SOCC's policy manual using OSBA's Model Policy Manual.

## POLICY GOVERNANCE MODEL VS OSBA POLICY MODEL

Board policies are broad guidelines adopted by a board to chart a course of action for the organization. Policies set forth the purposes and prescribe in general terms the organization and programs of a community college system. Board policy creates a framework within which the College President and his/her staff can discharge their assigned duties with positive direction.<sup>1</sup>

SOCC has adopted board policies that reflect a Policy Governance Model. Policy governance is a model whereby the board establishes end goals for the organization and the CEO. In the SOCC model, the College President's role is to achieve those ends limited only by those means which the board has stated in policy, usually around standards of prudence and ethics.<sup>2</sup>

According to the Oregon Community College Association, several of Oregon's community colleges have adopted the Policy Governance Model, however, only Central Oregon Community College has a history of closely following the model, others utilize various hybrid models.

OSBA's model is a traditional policy format with sample policies based on state and federal laws and regulations. OSBA's policies are classified into four areas, Required, Conditionally Required, Highly Recommended and Optional.

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<sup>1</sup>[www.osba.org](http://www.osba.org)

<sup>2</sup><http://www.carvergovernance.com>

“Required” policies indicate state or federal laws and/or regulations mandate community college board adoption of a policy. “Conditionally Required” policies are those state or federal laws and/or regulations indicate a community college board has to adopt if it has certain programs. “Highly Recommended” policies contain language, though not required to have in policy, and are recommended a community college board adopt to address controversial issues or areas that state and federal laws and/or regulations recommend. “Optional” policies are those that address specific areas that may be of concern to individual community college boards.

Policy is important because it:

- \* Provides consistency, stability and continuity,
- \* Conserves time and effort, freeing the board from routine action,
- \* Provides direction for the college president, faculty, staff and students,
- \* Informs the public,
- \* Establishes a legal record as well as a legal basis for Board actions,
- \* Supports orientation of new board members and staff,
- \* Provides a sound basis for appraisal and accountability,
- \* Meets minimum requirements as prescribed by state and federal law.<sup>3</sup>

No matter which governance model a board adopts it can only be fully successful with open and respectful communication between board members and the community college president. The sharing of information is crucial. All board members should have access to the same information when faced with decision making.

## **POLICY ANALYSIS FOR SOUTHWESTERN OREGON COMMUNITY COLLEGE**

The policy analysis consisted of recoding SOCC’s number-based board policies to OSBA’s letter-based coding system. This was done to better compare SOCC’s policies with OSBA’s model policy manual. OSBA’s policy manual structure is divided into nine sections:

- A/B: Board Governance and Operations
- C: Administration
- D: Fiscal Management
- E: Support Services
- F: Facilities
- G: Personnel
- I: Instruction
- J: Students
- K/L: Community Relations

Once the recoding was complete, SOCC’s current policies were analyzed to determine whether the board had adopted all the policies required by state and federal laws and/or regulations and whether the board had included policies OSBA considers to be highly recommended.

SOCC’s current policy manual follows a policy governance style. This style omits many state and federally mandated policies. The enclosed analysis summary tables found at the end of this report use a check mark (✓) in the comments column to indicate policies the board has currently adopted. Required and Highly Recommended policies that have not been adopted by the board are noted in the comments column.

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<sup>3</sup>[www.osba.org](http://www.osba.org)

### *Section A/B - Board Governance and Operations*

SOCC's Board Governance section is the most complete in adoption of required policies. However, two policies the board should consider for adoption are Board Member Ethics, in light of recent changes in state law and Oregon Ethics Commission interpretations and Board-Staff Communications to assist in addressing proper communication channels.

### *Section C - Administration*

The Administration section of SOCC's policy manual does not include an administration evaluation policy and language stating the College President's evaluation will be done annually, both are required under state statute.

### *Section D - Fiscal Management*

OSBA's Fiscal Management section has a limited number of policies and does not contain required policies but does have several highly recommended ones. Because SOCC's manual has very few fiscal management policies, the board should conduct a review to determine whether additional fiscal management policies would assist the college in achieving its fiscal goals.

### *Section E - Support Services*

SOCC's Support Services section is lacking a policy and administrative rule on Safety Program/Safety Committee and a policy regarding Health Insurance Portability and Accountability (HIPPA). There are also several areas where a highly recommended policy is in the employees' handbook the "Navigator." It is recommended the board review whether adopting those areas into the policy manual would aid with ensuring the policies are consistently followed.

### *Section F - Facilities*

OSBA's Facilities section has just three sample policies, which are highly recommended: facilities planning, capital construction and construction contracts. The board should review its one adopted facilities' policy to determine whether it addresses the needs of the College.

### *Section G - Personnel*

SOCC's Personnel section is lacking several required policies, such as Instructional Standards for Instructor Qualifications, Staff Development and Faculty Development. There are policies OSBA recommends being in policy that SOCC has in its handbooks, i.e., Drug-Free Workplace, Harassment, Evaluation of Staff. It is recommended the board conduct a review to determine whether it is meeting state and federal compliance and consider if moving these and other items into the policy manual would aid with ensuring the policy is consistently followed.

### *Section I - Instruction*

SOCC has no policies that fall into the Instruction section of OSBA's sample policy manual. Though this section contains no required policies, OSBA recommends the board review the several highly recommended sample policies for adoption by the board.

### *Section J - Students*

The Student section of SOCC's policy manual contains very few policies. State statutes require boards to adopt policies regarding education records, directory information and personally identifiable information. In addition,

several areas OSBA recommends be included in the policy manual are contained in SOCC handbooks. It is recommended the board conduct a review to determine whether it is meeting state and federal compliance and consider if moving items into the policy manual would aid with ensuring the policy is consistently followed.

### *Section K/L - Community Relations*

In the final section, Community Relations, OSBA's sample manual contains only highly recommended and optional policies. SOCC has only one policy that can be considered a community policy. It addresses complaints by the public. The board should conduct a review to determine whether adopting additional community policies would assist the board in achieving its community goals.

## **Commendations**

The board is commended for attempting an innovative approach to board governance. Since the Policy Governance Model has not been fully implemented this is a good time to review the board's policies and analyze what next steps need to be taken to place the College back on a solid policy foundation.

## **Opportunities for Improvement**

SOCC's governance policy manual does a good job of addressing board governance. However, it leaves the board and College vulnerable in several policy areas that require board adoption of mandated policies. As described previously the Policy Governance Model is meant to reduce the board's day-to-day management of the organization. This is a desirable goal. However, the lack of policies and administrative rules can lead to administrators dealing with difficult or complex situations in inconsistent manners.

Good governance leads to several positive consequences:

- \* Trust in your organization,
- \* Short- and long-range planning,
- \* Connecting with employees, students, community,
- \* Making good decisions, people value your work,
- \* Ability to weather crisis, and
- \* Financial stability.<sup>4</sup>

Well thought out and consistently implemented policies will allow the board to fulfill its role of policy-making and oversight while simultaneously allowing the college administration to run the day-to-day operations of the College. When policies are adopted and administrative rules created for policies, it gives administrators clear direction on dealing with difficult situations.

It is recommended that SOCC conduct a policy rewrite of its policy manual. The process will allow the board to create a working document that complies with state and federal laws, is individualized to the College's needs and assists with returning the College to a soundly run organization, while minimizing the board's day-to-day oversee of operations. The rewrite can be completed utilizing either the policy governance style or OSBA's traditional style. In addition, a review of roles and responsibilities and how policy enables and directs organizations can aid in improving the effectiveness of board operations.

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<sup>4</sup><http://www.iog.ca/boardgovernance/html/gov.why.html>

# Human Resources and Employee Relations

## TEAM MEMBER

Jessica Knieling, Associate Director, Labor & Employment Services.

Ms. Knieling re-joined the Oregon School Boards Association staff in January, 2007. She was previously employed with OSBA in 2001. Most recently she was an HR Business Partner at Planar Systems, Inc. in Beaverton. She has also worked for SAIF Corporation as a Loss Control Analyst.

Ms. Knieling earned her Masters of Business Administration from Willamette University in Salem where she focused on Human Resource Management & Organizational Change and Development. She also obtained her Bachelor of Arts in Psychology (focus on organizational) from Willamette University.

## DOCUMENTS REVIEWED

1. Collective bargaining agreement (faculty, classified, addendum)
2. HR Procedures - discipline, probation
3. Employee handbook 2007-2008
4. Hiring committee records
5. SOCC policies
6. Evaluation documents
7. Employee newsletter, "Southwebstern"
8. Termination and grievance summaries (last 3 years)
9. Disciplinary summaries (last 3 years)
10. Exempt classification committee records (last 3 years)
11. Interview committee notes
12. Code of ethics
13. New employee orientation packets (faculty, classified, administrators)

## SCOPE OF REVIEW

An essential component of any effective educational program is employment of enough qualified individuals to meet the goals of the college. Effective human resource management is essential to the college's success in recruiting, selecting and retaining qualified staff. In addition, developing and nurturing constructive relationships among college administration and labor unions supports a stable and productive educational environment.

## GENERAL OBSERVATIONS

It is important to note this review was done purely on paper and did not involve any personal interviews or interaction. The purpose was to review and comment upon what exists on paper relative to the human resource management functions of the College. Because the review and analysis was done on paper there are outstanding questions and issues that may require more in-depth work and analysis. Recommendations, where appropriate have been made. It is also important to note the collective bargaining agreements were reviewed in this process, the purpose was to gain exposure to context and process as opposed to a contract analysis with recommendations for changes in negotiations.

The review covered five major areas: Performance Management; Recruitment, Retention and Termination; Compensation; Employee Communications; and Grievances.

## PERFORMANCE MANAGEMENT

Performance management covers the full spectrum of activities from goal setting to discipline and dismissal. The College has a number of good systems in place on paper.

### *Goal Setting & Evaluation*

The goal setting documents are very good. Often in education goals are either not set or they are lofty. The SOCC documents give direction to staff and managers to set SMART goals (specific, measurable, attainable, agreed upon, realistic and time oriented). Further, staff set annual goals for performance and professional development signifying the College places a value on developing employees. The setting of goals is positioned as a joint process between manager and employee which fosters co-ownership in the outcome. The College materials clearly direct managers and staff to align individual performance goals with the overall business goals and strategic plan. The process outlined is an effective means to drive activity and work to meet overall organizational objectives.

The process for setting goals is a good one if it is adhered to. The evaluation document itself tracks progress toward performance goals, but there are only two categories for outcomes, meets expectations and needs improvement. We would recommend having some greater opportunity for differentiation. The evaluation focuses solely on the annual goals. We recommend considering an opportunity for comment and evaluation on some other behavioral areas as well.

If the process is being followed as drafted there are some modifications that can be made to further enhance the process but it is overall well crafted.

### *Performance Improvement & Discipline*

When performance or conduct issues emerge that need to be addressed the College has both collective bargaining agreements as well as policy to guide the process. These processes are an essential part of ensuring the College provides an environment for successful education to happen. As previously noted, the College has a well-developed process for establishing performance goals, however, the process for managing performance issues is not as well developed or crafted.

There are a number of places where performance improvement is addressed including in the employee handbook, the code of ethics, policy and collective bargaining agreements. It is always challenging to manage multiple standards. Most collective bargaining agreements have a "just cause" standard. It is a high standard for discipline that includes seven tests that must be met for "just cause" to be established. Both of the college's collective bargaining agreements include this standard for non-probationary staff. In the absence of a contract requiring just cause, the College would only be required to provide due process, which is the optimum position for the College. Due process is generally defined as notice of the charges/allegations followed by a chance to respond prior to action being taken. However, the code of ethics in the employee handbook defines due process in a way that looks more like progressive discipline. Further it states employees shall not be discharged without a prior written warning. There is also a disciplinary procedures document in the personnel procedures coded 1.012. The procedure outlined is closely aligned with the code of conduct process but not exactly. There are also statements such as "Employees shall not be discharged without prior written warning" in the code of ethics.

The multiple standards can be cumbersome to manage, however, it appears the College has almost wholly adopted a modified progressive discipline policy with a guarantee not to terminate without written warning. There is a document on the website called "probation" that indicates "a probationary employee may be terminated at any time, for any reason as determined by the College" however, this would be in direct conflict with the employee handbook. We do not recommend providing these guarantees in policy or procedure as it can create greater liability for the College in discipline and discharge scenarios.

In the absence of disciplinary records it is difficult to determine if the procedures have been appropriately followed. It does appear there have been several grievances over the past years relating to discipline but this is not unusual as discipline is one of the most commonly grieved decisions. However, we do believe it would be difficult to assess which standard was required for staff based on the various sources of information. We commend the College for wanting to have a transparent, fair and equitable process, however, We recommend clarifying due process and progressive discipline and crafting policies in a way that afford the College the greatest flexibility.

The College's written documents suggest a desire to be constructive and assist employees in meeting performance standards and being successful indicating an appreciation for the purpose of discipline.

## **RECRUITMENT, SELECTION, RETENTION AND TERMINATION**

### *Recruitment*

The College has documented hiring procedures which identifies when the procedure is to be used (new position or reclassification). The procedure does not include concrete time lines but it does identify the chain of command, the process for establishing both screening and interview committees as well as conducting reference checks and offers of employment. The procedure document provides the steps required but does not provide a lot of detail.

The College has a process for creating a job description and review. A review of the descriptions on the College web site suggests they are relatively thorough. The hiring procedure indicates a request for salary/wage is initiated but it is unclear how the wage is determined outside of positions covered by a collective bargaining agreement.

The hiring procedures allow the interviewing committee to establish the interview questions. This committee certainly provides invaluable input but it may be useful for those questions to be reviewed by human resources as well. There is evidence in the recruitment files that screening criteria are established and used and that a standard set of questions is developed and asked for each position. It is not always clear how the final decision is made. Some files include scoring but others do not. This is not necessarily unusual as scoring is not always appropriate but there are not notes to reflect how the final candidate was selected. Further, it is advisable to have at least a standard set of questions that are always asked. There is notice the questions cannot address certain state and federally protected classes, however, it should be noted the list in the procedure is not an all-inclusive list.

Reference checks are required prior to the interviews. These reference checks may provide useful insights but We question if this should be the last reference check as often times the committee may have more specific areas to probe following an interview that may not have been known prior to the interview. We recommend considering post interview references as well. The files do not have complete reference checks for all candidates before interviews but they may be in separate reference checks. The procedure indicates that hiring managers or instructional directors do the reference checks. The College should ensure all managers are trained in conducting both effective and legal reference checks.

### *Selection*

Following a recommendation of the committee offers of employment are extended. The procedures indicate classified offers are generally extended verbally. While it is a normal practice to call and make verbal offers, it is important to also have a written signed offer of employment and acceptance. This may be occurring but is not clear from the documentation.

It appears that human resources is only involved at the front end and back end of the process for hiring. This can work but it is important committee members and managers be effectively trained in interviewing skills, references, public records and documentation.

It is unclear from the procedure how committee members are selected and trained. It does require committees be composed of all employment groups and at least two administrative leaders. The recruitment files suggest this has been followed and the process itself appears to provide broad input into the selection process. It is unclear what happens in the event the committee does not come to consensus. Typically, the ultimate decision rests with the hiring manager but it is not clear in this case if that is the process.

Once an employee starts the College does have a full orientation process with human resources. There is an established checklist of paperwork and topics to be covered. In general, the orientation check list looks comprehensive. We did note, however, there is no mention of the harassment policy or reporting. We recommend all employees be given the policy and provided information about their obligations and reporting. The grievance procedure is included in the orientation as policy 6.2.070. The grievance procedure specifically states it is to be used when there are allegations of discrimination. We recommend you have a separately identified process for dealing with allegations of harassment as the College has much greater liability in such cases and greater obligation to take action. [REDACTED]

### *Retention*

It appears the College has some plans in place to support retention including professional development. There is also an addendum to the faculty contract regarding salary equity. This addendum will be addressed below under compensation but We suspect the intention was to retain qualified staff.

Turnover data was not provided, however, transfers were. There have been a significant number of transfers recently. Transfers can have a positive influence on retention if employees are being given opportunities to grow and develop but also can have a negative effect if they are viewed as punitive. We do not have data to suggest the transfers have been positive or negative.

There have been ten terminations in the last three years. It is unclear if these are voluntary or involuntary. However, ten is fairly low for an organization this size if it is inclusive of voluntary and involuntary. Retention is often difficult to assess qualitatively from termination and turnover data because retaining employees is usually not the goal but rather to retain qualified employees. It is important to evaluate if the employees staying and leaving are the ones who you want to retain.

### *Termination*

As mentioned above terminations have been fairly low at the College. However, outside of the previously addressed disciplinary discussion it is unclear if there is a termination procedure. We highly recommend having a procedure for human resources and managers to address voluntary and involuntary terminations. If a termination is involuntary due to performance then the disciplinary procedures must be followed but it is also important to have a process developed to give notice, provide the final paycheck, COBRA, collect keys, turn off access to systems, etc.

## **COMPENSATION**

The compensation system and structure at the College appears to be underdeveloped. Compensation is outlined in the collective bargaining agreements, however, as mentioned previously the faculty agreement guarantees salary equity by June 30, 2011. This may be a worthwhile objective, however, no where is salary equity defined. There is not a process to evaluate and determine the benchmarks of equity and what is meant by equity. In addition, there is no formal compensation plan. Typically, an organization will have an objective for compensation. There is no stated objective. Further, there is an exempt staff task force committee that set out goals and reported them in September. However, the stated goals included providing a 3% raise regardless of funding. There is no explanation of what end that goal serves, while on the surface it seems problematic if funding does not exist. Again, the goal of the compensation plan should be stated in a way that would allow some objective measure of these recommendations. For example, it could be that the College wants to provide a competitive total compensation package that allows it to effectively attract and retain qualified staff.

The committee established a number of salary minimums but it was unclear what criteria were used to establish the minimums. The committee had a number of recommendations, which we trust were offered in good faith but it appears to be a very internally driven process. The process has significant budget implications and it is unclear if finance is involved.

The committee also produced a basic classification structure but it is very narrow in addressing scope, impact and skill sets. The criteria are vague and the levels of low to high are not defined and are rather ambiguous. Further, it is unclear how the salary ranges were then applied. The committee made a recommendation to create a job analysis questionnaire and a formal review process. We believe this is essential, however, we question if the committee is the best place to have this work done as typically human resource professionals have the knowledge, experience and background to lead such projects. Further, We recommend clarifying the role of the committee and human resources in this process.

## **EMPLOYEE COMMUNICATIONS**

The College has very useful electronic resources for employees to find human resource procedures, updates and forms and it appears there is more being added. It has an Intranet for employees. There is an employee newsletter, "Southwestern," which appears to be a good internal newsletter; pretty "robust" with lots of information, including classified ads. It comes out monthly, at least.

## **GRIEVANCES**

Generally, the College does not appear to have a high volume of grievances filed. 2006 was an anomaly with seven grievances and one complaint. As mentioned previously discipline, termination and compensation seem to be the most common grievances. Although it should be noted it is difficult to draw trends or conclusions when in most years there are fewer than 5 grievances filed. Many of the grievances have been resolved or rescinded which indicates the process is serving its purpose.

## **Commendations**

The SOCC human resource goal setting documents are very good. Often in education, goals are either not set or they are lofty. The SOCC documents give direction to staff and managers to set SMART (specific, measurable, attainable, agreed upon, realistic and time oriented) goals. Further, staff sets annual goals for performance and professional development signifying the College places a value on developing employees. The setting of goals is positioned as a joint process between manager and employee which fosters co-ownership in the outcome.

The College materials clearly direct managers and staff to align individual performance goals with the overall business goals and strategic plan. The process outlined is an effective means to drive activity and work to meet overall organizational objectives.

## **Opportunities for Improvement**

The process for managing performance issues is not well developed or crafted. Due process and progressive discipline standards need to be clarified. All documents relating to discipline and performance should be aligned to eliminate discrepancies.

Concrete time lines should be added to the hiring procedures as well as how decisions are made and by whom if the interview committee cannot reach consensus. Interview committee results should be clearly documented in the records to reflect how the final candidate was selected. Additionally, reference checks should be added to the post interview process and the College should ensure all managers are trained in conducting both effective and legal reference checks.

Harassment policy and reporting should be added to the new employee orientation checklist. The College should strongly consider creating a process separate from the grievance procedure when there are allegations of discrimination.

The College should create a procedure for human resources and managers to address voluntary and involuntary terminations to ensure all necessary steps and notifications are completed.

The College should upgrade its compensation system by developing a process to evaluate and determine the definition and benchmarks of salary equity. The compensation system itself should have a clearly defined goal of the compensation plan that allows objective measurements.

The classification structure should be expanded to address scope, impact and skill sets. The criteria should be objectively measurable and the levels of low to high defined clearly.

A job analysis questionnaire and a formal review process should be established by the College with the role of human resources staff and the compensation committee clarified.

## Summary of Allegations and Findings of Fact

### TEAM MEMBER

Lisa Freiley, Director, Legal, Labor & Employment Services.

Lisa has more than 17 years' experience in human resources and labor relations in Oregon schools. She joined the Oregon School Boards Association staff in September 1990. She currently serves as the Director of Legal, Labor and Employment Services for OSBA. Lisa holds a doctor of jurisprudence with an emphasis on labor, personnel and administrative law from Willamette College of Law. She also holds a masters' of business administration from Atkinson Graduate School of Management, where she focused her studies on human resource management.

### BACKGROUND AND DOCUMENTS REVIEWED

By contract the President is responsible for the following areas:

1. Leadership toward academic excellence
2. Administration of instruction, student services and business affairs of the College
3. Oversee the occasional review of board policy, as necessary
4. Promote and strive to maintain a positive image of the College in the local community
5. Establish and maintain sound working relationships with other governmental agencies
6. Strive to maintain and improve professional competence
7. Evaluate staff who directly report to the President and ensure remaining staff are evaluated in accordance with College policies and procedures
8. Manage and control College property
9. As authorized by the board, enter into contracts on behalf of the College
10. Maintain a close working relationship with the SOCC Foundation

The contract also establishes the President shall have the responsibility "within Board policy to organize, reorganize and arrange the administrative staff, that includes academic and business affairs, which in the President's judgment best serves the College. The President shall have the responsibility for all personnel matters, including selection, assignment, transfer and termination of personnel, subject to Board approval."

The board has established by policy the following:

**BP 301: Presidential Code of Conduct:** The College President shall not cause or allow any practice, activity, decision, or organizational circumstance which is illegal, or in violation of commonly accepted business ethics, professional ethics or any applicable state or federal law.

**BP 302: Treatment of People:** Dealings with students, staff, faculty and persons from the community will be based upon Southwestern's stated Core Values.

**BP 303: Financial Planning Budget:** A budget for any fiscal year or the remaining part of any fiscal year shall not: (A) risk fiscal jeopardy, (B) Be unrealistic in projections of income and expenses, or (C) effect the budget until approved by the Board of Education.

Accordingly, the College President shall not: (A) Present a budget document that contains insufficient information, fails to separate capital and operational items, or is in noncompliance with Oregon Budget Law, (B) Approve or authorize the expenditure of more funds than are projected to be available during that fiscal year, (C) Authorize the borrowing of funds in excess of \$500,000 at any one time from a

lending agency and in no event beyond the current fiscal budget year, (D) Authorize a loan in excess of \$200,000 from the General Fund to the Financial Aid Fund without a federal letter of credit or for a period of time not to exceed 60 days, (E) Fail to provide in the College budget an appropriate amount for Board prerogatives, including but not limited to Board Member development, training and travel, (F) Proposed budget impact resolutions without providing adequate budgetary documentation.

**BP 304: Financial Condition:** The Board of Education requires that the College President be mindful of the College's ongoing financial health and not cause or allow the development of fiscal jeopardy. Therefore, the College President shall not: 1. Allow cash on hand to drop the amount needed to settle payroll and debts in a timely manner. 2. Indebt the College in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days, except by Board-approved conditions. 3. Fail to advise the Board of negative or positive financial trends. 4. Authorize the expenditure of funds exceeding \$25,000 without the prior approval of the Board of Education.

**BP 305: Asset Protection:** The College President shall not allow College assets to be unprotected, inadequately maintained nor unnecessarily risked. Accordingly, the College President shall not: 1. Fail to provide adequate insurance to protect the College's assets. 2. Allow unbonded personnel access to funds in excess of \$10,000. 3. Fail to protect electronic and paper files from misuse. 4. Fail to provide an updated three-year physical plan maintenance schedule to the Board of Education every year.

**BP 306: Compensation and Benefits:** With respect to employment, compensation and/or benefits to employees, consultants, contract workers and volunteers, the College President may not circumvent current established hiring and compensation procedures.

**BP 307: Communication and Counsel to the Board:** The College President shall not permit the Board to be uninformed. Accordingly, the College President shall not: 1. Fail to keep the Board informed of relevant trends, anticipated adverse media coverage, information that has political implications, and/or other material internal or external facts that affect the College or the Board. 2. Fail to submit operational monitoring data within a 60-day time period. 3. Fail to deal with the Board as a whole regarding official business except when: A. Fulfilling individual members' requests for information. B. Responding to officers or committees duly charged by the Board.

## **SPECIFIC ALLEGATIONS AND FINDINGS**

### **1. *Campus Security Issues***

Its is alleged Judith Hansen directed Campus Security Directory, Bill Winfield, to stop issuing citations for minor in possession and possession of illegal substances.

Dr. Hansen responded to this allegation on May 5, 2008, by stating "I have never told campus security, nor would I consider telling campus security not to issue citations for MIPs." She went on to state "[t]he authority for college Safety and Security officers to issue citations was derived from their status as reserve City police officers. With the removal of Reserve Officer status and thus the ability to issue citations in December 2007, Southwestern Oregon Community College Security has continued to identify safety and security needs and responsibly contact the City of Coos Bay Police Department with observed violations."

[REDACTED]  
[REDACTED] It was then in December 2007 the Chief Washburn revoked the Reserve Officer status of Campus Public Safety Officers.

These facts were restated in a April 25, 2008, letter from Chief of Police Roger Craddick to the Southwestern Oregon Community College Board of Directors. In its letter to the Board, the Coos Bay Police Department gave a brief history of law enforcement services at Southwestern Oregon Community College (SOCC).

[REDACTED]  
[REDACTED]  
This issue must be resolved with the Coos Bay Police Department in an effective and efficient manner in order to ensure a secure campus for staff and students.

2. *Mismanagement of Financial Matters*

The allegations in this area are numerous. Most allegations center around a failure to provide information, providing information which was misleading and not prudently managing College funds. The allegations range from:

- \* Moving expenses attributable to Enterprise Funds to General Fund to give the impression the Enterprise Fund at least broke even and maybe even made a profit;
- \* Authorizing an unusual expense in order to be able to close out the accounts for year end 2007;
- \* Purchased bond insurance in order to improve the College's bond rating and then claimed the bond rating was based on superior financial management of SOCC;
- \* Made conflicting statements regarding how the level of resources the Enterprise Fund contributed to the General Fund;
- \* Failing to reimburse employees for appropriate business expenses;
- \* Increased revenue estimates without having a basis in fact for the increased revenue; and
- \* Purchasing a piece a property prior to having available funding to pay for the property.

Dr. Hansen provided a number of responses in her May 5, 2008, presentation and written response. Those responses include:

- \* The fact the College has received unqualified audits during her presidency;
- \* Transfers from fund to fund have actually been reduced;
- \* Fund transfers to the Enterprise Fund were reported to the Board when the transfers were made;
- \* Several financial transactions from the prior year had not been completed when she took over management of the College (e.g., Neighborhood Facility and sale of bonds);
- \* The College received a court decision which had far reaching financial impacts (e.g., early retirement lawsuit);
- \* Bond insurance was included with the costs of the bonds and approved by the Board;
- \* Acknowledges bond insurance has some impact on bond rating but the on-going timely repayment of the interest and principle has also had a positive impact on the College's bond rating;
- \* Accreditation requirements and strategic planning required unanticipated expenses;
- \* Reimbursement of travel expenses for the women's softball team had been initially denied because of the failure to seek pre-approval and a lack of funds available in the Softball Club Account;

- \* Any restructuring of the properties to receive from funding from the bonds was done in consultation with Bond Counsel, Vice President Meyer and then Business Manager Colo.

In order to ascertain whether or not these allegations have any element of truth it will be necessary to engage an accountant to review and reconstruct the various financial transactions in question. What is clear is the following:

- (1) The College is currently without an on-site professional and competent financial manager and this must be remedied as quickly as possible.
- (2) The financial institution which the College does business with confirmed it was concerned enough about the College's financial position it refused any long-term loan due to concern about the College's cash flow situation.
- (3) Current vendors confirmed the College has begun the process of delaying payments due to insufficient cash flow.
- (4) All parties, including Dr. Hansen, agree the last budgeting process was chaotic and frustrating to all involved.
- (5) The current budget still contains some areas of concern – such as revenue assumptions in some of the Enterprise Accounts which appear to be artificially inflated and the budget still contains a "Special Projects" Account which contains several programs which are still awaiting sufficient revenue to fund the programs.

### 3. *Failure to Follow College Human Resource Policies and Procedures*

The allegations cover a wide range of issues:

- \* Mandating employee acceptance of the a revised Code of Conduct or facing the loss of their job;
- \* Failing to maintain confidentiality of private information by sharing information with employees who have no need to know the information disclosed;
- \* Acting in an unprofessional manner by spreading rumors or innuendo about College employees;
- \* Making inappropriate comments about a situation on campus involving the death of a student;
- \* Failing to follow established College hiring policies and procedures when recruiting and selecting employees for the following positions: Vice President of Administrative Services, Director of Public Safety, Interim Executive Director of the Foundation and the Director of Human Resources;
- \* The reorganization process has been inconsistent at best and is alleged to have been used to either reward or penalize employees based solely on the individual's relationship with the President;
- \* Recent changes in compensation have not had a direct correlation to increases and/or decreases in the positions responsibilities.

It is always unfortunate when an organization experiences extensive staffing changes, especially at the upper levels of management. It is also not unusual for such changes to occur naturally when a new leader is brought into an organization often due to minimal up to significant differences in philosophy. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. *Failure to create a work environment which is supportive of a effective and efficient workforce and supports the core values of the Board.*

The allegations in this category focus on the concern Dr. Hansen's management style and whether her decisions have resulted in employees experiencing fear and intimidation while attempting to perform their duties. In addition, there is a concern the managerial approach taken by Dr. Hansen to date is in direct conflict with the core values established by the Board.

The core values established by the Board are: quality, student satisfaction, access and opportunity, sense of community, teaching and learning, social responsibility and innovative change. There are employees who both support and denounce Dr. Hansen's decisions and their impact on the educational programs, staff and the work environment. [REDACTED]

[REDACTED]