

Midterm Homework: WLAC Recommendation 7

Ken Takeda

WLAC Recommendation 7 – Financial Resources (2012)

In order to meet the standard, the team recommends that the college integrate planning, evaluation, and resource allocation decision making in order to systematically assess the effective use of its financial resources and use the results of the evaluation as the basis for institutional improvement and effectiveness in a manner that assures financial stability for the institution. (Standard III. D.1.a.; III.D.2.g. and III.D.3.)

Please address these questions, with reference to “your” recommendation as it appears in the three reports:

1. What specifically troubled the Commission?

Excerpts from Accreditation Report:

- “It was not clear to the team what criteria are used in resource allocation decisions or how the use of resources are assessed and ultimately tied back to budget planning in order to determine if the resource allocations achieved the desired objectives. Additionally, there is no evidence to verify how resources were evaluated and then whether any evaluations were used as a basis for improvement. (III.D.3).”
- “The college faculty and staff engage in dialogue regarding annual budget development; however, the team could find no evidence of integrated evaluation processes tying resource allocation to planning to determine how well resource decisions influence subsequent allocation decisions as the basis for institutional improvement (III.D.1.a., 2.g. and III. D.3.).”
- “The Standard has been partially met in regard to financial resources except for requirements associated with planning and resource allocation, and assessment of resources allocated to determine whether resources achieved desired or anticipated outcomes.”

In addition to WLAC Recommendation 7, there were four District recommendations related to Standard III.D.

2. What are we supposed to be doing now? (That is, what does the Commission say we are, or should be, doing to respond to the recommendations? What did we say we were doing or planning to do?)

Excerpts from Follow-Up Report:

- “Starting in 2013, the Budget Committee and the Planning and Institutional Effectiveness (PIE) Committee will hold two meetings a year, one to focus on evaluating the effectiveness of resource allocations, and the other to evaluate the planning, evaluation and resource allocation process. “

- “WLAC is able to balance its budget, with the exception noted, through the use of regular monitoring and adjustments to expenditures to adjust to shifting fiscal conditions throughout each fiscal year. The major tools used include:
 - Quarterly budget reports
 - Monthly budget updates that include coordination between Administrative Services and Academic Affairs regarding the cost of instruction
 - Quarterly budget meetings between college staff (president, vice presidents, budget manager, researcher, other deans) and district staff (Chief Financial Officer, Director of Budget and Management Analysis, head of attendance accounting unit) to review and discuss FTES and budget issues. District staff present issues of concern for discussion.
 - Budget/expenditure updates presented by the Vice President of Administrative Services to the Budget Committee monthly.”
- “The budget preparation process, under the leadership of the Vice President of Administrative Services, incorporates priorities developed through the program review/resource request prioritization process described in the response to Recommendation 2.”
- “The PIE and Budget Committees have scheduled the annual evaluation of the college’s processes for program review and resource allocation for July 2013. It is already clear that in the subsequent program review and planning cycles (beginning in fall 2013), the rubrics for validation and resource allocation prioritization must be available at the beginning of the program review cycle to help guide program review authors,⁵ and that a more seamless interface is required between the program review reports and the validation questions.”
- “As noted under Recommendation 2, the college has refined its program review and planning processes and is using them for 2013-2014 fiscal year planning as well as to assess the results of the 2012-2013 fiscal plan. In keeping with the principle of continuous improvement, the college has recognized the usefulness of more data and better information on the effects of both increased and reduced expenditures. For the fall 2012 program review process, PIE Committee revised the program review instrument to that end.⁶ New topics addressed included:
 - The effect of past allocations
 - The effect of unfunded requests in the past
 - The expected effect of a hypothetical resource reduction.”
- “The college is committed to continue using its cycle of integrated planning, resource allocation, and plan implementation and has charged the PIE Committee with overseeing the following commitments:
 - aligning all the college’s plans with a revised Educational Master Plan
 - strengthening information collection and dissemination, such as Program Review
 - aligning resource allocation decisions with assessment, program review, and planning
 - assessing our levels of achievement
 - documenting progress on implementation matrices using measurable outcomes
 - assessing effectiveness in the use of financial resources, consistent with financial stability

- engaging in college-wide dialogue on plans and measurable outcomes
- using results to make decisions leading to institutional improvement.”

Excerpts from Follow-up Visit Report:

- **“Findings and Evidence:** Program review and planning processes for fiscal year 2013-2014 were in the midst of implementation at the time of the follow up visit. Changes made to the process resulting from evaluation of the prior year’s cycle included the following improvements that support college efforts to plan for financial stability:
 - Planning and Program Review Committees were combined to provide cohesive oversight of an integrated program review, planning, and resource prioritization processes (the Planning and Institutional Effectiveness or PIE Committee).
 - PIE and Budget Committees collaborated to evaluate effectiveness of expenditures from 2011-2012. Also, these committees have scheduled evaluation of this year’s process for July 2013.
 - The program review cycle for academic year 2012-2013 was changed to coordinate with planning and resource allocation processes for fiscal year 2013-2014.
 - Program review documents this year now include new topics to which all programs must respond, such as: effect of past allocations; effect of not funding past requests; expected effect of hypothetical resource reduction.
 - In addition to integrating program review, planning, and resource allocation requests, a decision making flow **chart** and rubric were developed to prioritize requests this year. Top priorities are those related to health/safety and legal compliance. Remaining requests are prioritized according to a formal scoring process that considers multiple criteria including but not limited to mission and master plans, accreditation support, outcomes assessment, and adequacy of the plan.

Overall, the changes made to the college’s program review, planning, and resource allocation decision making are the result of what was learned through evaluation of these processes. Improvements made include embedding in those processes a systematic assessment of effective use of financial resources. Furthermore, results of that assessment were used to improve the effectiveness of this year’s planning cycle in a manner consistent with assuring the college’s financial stability. Because effective resource use and reasonableness of augmentation requests are embedded in their program review and validation processes, it can be said that programs are evaluated in part by whether they operate within their means.

- **Conclusion:** The College has fully addressed the recommendation, corrected the deficiencies, and now is in compliance with Accreditation Standards and Commission policies. Planning, evaluation, and resource allocation decision making are integrated processes; at the time of the follow up visit, implementation was at the resource prioritization stage. Embedded in college planning processes is an assessment of effective use of financial resources at the unit level: All programs must report prior year’s resource allocations and explain the impact of those allocations on goals. For new resource requests, programs must explain the impact of receiving or not receiving resources requested so that an assessment of resource use can be facilitated next year. Results of the assessment conducted are used for institutional improvement and effectiveness that serves financial stability.”

Excerpts from April 12, 2013 Update:

- “Continue to integrate planning, evaluation, and resource allocation decision making. Systematically assess the effective use of financial resources and use the results of the evaluation as the basis for improvement and effectiveness in a manner that assures financial stability for the institution.
 - March 8: Using a rubric approved by the College Council February 7, 2013, PIEC produced a unified prioritization of the resource requests generated in program review.
 - March 27: FPIP Committee finished its ranking of 28 positions for potential full-time hires.
 - April 9: FPIP chair presented the ranked list to the Academic Senate and initiated discussion of potential revisions of the process for its April 26 self-evaluation.
 - April 11: College Council Meeting, reviewed prioritized resource requests, to be considered by the Budget Committee at its April 25 meeting.”

3. Which committees should be involved in what we should be doing now? (Note what they should be doing.)

PIE and Budget Committees:

- Review resource requests yielded by Program Review
- Prioritize requests based on the rubric and considering outcomes from prior funding and consequences of not funding to address continuous quality improvement
- Advance prioritization recommendations through college governance process
- Incorporate approved resource allocations in college’s FY1415 Tentative Budget

4. Which college employees have responsibility for what we should be doing now?

Committee Co-Chairs: Rebecca Tillberg, Carmen Dones, Ken Takeda, Olga Shewfelt
 Prioritization work group members

5. What evidence did we use in our presentations to the Commission or visiting team? What evidence might we use in the Midterm report? (Include evidence we should be collecting, as well as what is already available.)**Evidence in Follow-up Report:**

- 2008-09 College Goals
- PIE and Budget Committee Minutes
- Program Review Handbook
- Program Review reports
- LACCD Final Budget 2012-13
- Academic Division Expenditures 2010-2012; Budget 2013
- Facilities Committee and facilities information

Recommended Evidence for Midterm Report:

- Minutes of PIE and Budget Committees: 2013-14, 2014-15
- Results of Fall 2012 Program Reviews and resource allocations
- Spring 2013 FPIP and Fall 2014 FON hires
- Fall 2013 Program Review information
- Spring 2014 FPIP and Fall 2014 FON hires
- Minutes of joint PIE-Budget Committee meetings
- Updated Prioritization Rubric
- Prioritization recommendations for FY1415
- Minutes of College Council meetings at which recommendations are discussed
- Communication from College President approving resource allocations
- FY2015 Budget reflecting resource allocations
- Fall 2014 Program Review information

6. Comments:

Now that West is deemed by the commission to have met the III.D standard, the Midterm Report should focus on:

- Confirming that the college is still doing what we asserted in the self-study and follow-up report,
- Producing updated evidence of our activities that affirm conformance with the standard, and
- Demonstrate our process of continuous quality improvement by:
 - Documenting multiple cycles of program review/resource request prioritization/budget allocation, and
 - Emphasizing consideration of the results of past allocations, and consequences of denials of past requests, in each new cycle (I don't believe we've been rigorous in doing this).

Supplement:

Accreditation Report District Recommendations Re: Standard III.D:

District Recommendation 1:

In order to meet the Standards and Eligibility Requirements, the Teams recommend that the district actively and regularly review the effectiveness of the construction bond oversight structure and the progress in the planned lifting of the moratorium to ensure the financial integrity of the bond programs, and the educational quality of its institutions as affected by the delays of the planned facilities projects. (*III.B.1.a.; IIID.2.a; IVB.1.c; Eligibility Requirements 17 and 18*)

District Recommendation 2:

In order to ensure the financial integrity of the district and the colleges, and to meet the Standards and Eligibility Requirements, the Teams recommend the resolution of the material weakness and significant deficiencies cited in the 2010 financial audit be fully effected by the completion of next year's audit, and appropriate systems be implemented and maintained to prevent future audit exceptions. (*IIID.2.a; IVB.1.c, Eligibility Requirements 17 and 18*)

District Recommendation 3:

In order to meet the Standards and Eligibility Requirements, the Teams recommend the district adhere to the ARC guidelines and closely monitor the planned process. (*IIID.1.c; IVB.1.c, Eligibility Requirements 17 and 18*)

District Recommendation 4:

To fully respond to the recommendation first tendered by the Comprehensive Evaluation Team in 2006, and to reflect a realistic assessment of financial resources, financial stability, and the effectiveness of short- and long-term financial planning for the district and the colleges, and in order to meet the Standards and Eligibility Requirements, the Teams recommend that the district adopt and fully implement as soon as is practicable an allocation model for its constituent colleges that addresses the size, economies of scale, and the stated mission of the individual colleges. (*IIID.1.b, IIID.1.c, IIID.2.c, IVB.3.c; Eligibility Requirements 17 and 18*)