



CLOSURE REPORT 2012



**CLOSURE
REPORT 2012**

**San Luis Obispo County
Community College District**



San Luis Obispo County Community College District



CLOSURE REPORT 2012

Submitted by:

San Luis Obispo County Community College District, Cuesta College
Highway 1, San Luis Obispo, CA 93403-8106

Submitted to:

Accrediting Commission for Community and Junior Colleges,
Western Association of Schools and Colleges

October 12, 2012

Table of Contents

Sanction History	2
Policy on Closing an Institution.....	4
Student Completion.....	5
Disposition of Academic Records and Financial Aid Transcripts	7
Provisions for Faculty and Staff	8
Disposition of Assets.....	9
Obligations to Creditors	9
Coordination with the Accrediting Commission for Community and Junior Colleges	10
Key Governing Board Obligations	11

Preparation of The San Luis Obispo County Community College District (SLOCCCD), Cuesta College Closure Report is a required element of Show Cause status as determined in January 2012 by the Accrediting Commission for Community and Junior Colleges (ACCJC). The steps associated with closure, outlined in this report, will only be implemented should the Accrediting Commission for Community and Junior Colleges determine such steps are necessary in its January 2013 response to the San Luis Obispo County Community College District Accreditation Show Cause Report, October 2012.

The Show Cause Follow Up Report demonstrates the firm belief of the San Luis Obispo County Community College District, Cuesta College that all deficiencies identified by the commission have been resolved, that the college is now in full compliance with the commission standards and eligibility requirements, and that the accreditation of the college will be reaffirmed. This Closure Report identifies the college's past history of sanction and outlines plans for closure of Cuesta College in the case of a loss of accreditation. The following paragraphs address the elements of the commission's *Policy on Closing an Institution*.

Sanction History

2009

In February 2009, the Accrediting Commission for Community and Junior Colleges, under the Western Association of Schools and Colleges, notified in writing the San Luis Obispo County Community College District, Cuesta College that it had acted to issue a Warning that the district must correct the deficiencies as noted:

- Recommendation 1: Mission Statement
- Recommendation 2: Planning and Assessment
- Recommendation 3: Student Learning Outcomes
- Recommendation 4: Library and Learning Support Services
- Recommendation 5: Human Resources
- Recommendation 6: Technology Resources
- Recommendation 7: Financial Planning and Stability
- Recommendation 8: Board of Trustees Evaluation and Policies
- Recommendation 9: Leadership and Governance.

A warning is issued when the commission finds that an institution has pursued a course of action that deviates from the commission's eligibility criteria, standards of accreditation, or policy to an extent that gives concern to the commission.

2010

On January 29, 2010, the Accrediting Commission for Community and Junior Colleges, under the Western Association of Schools and Colleges, notified the district, in writing, that it had imposed Probation and directed the San Luis Obispo County Community College District, Cuesta College to correct the deficiencies as noted:

- Recommendation 2: Planning and Assessment
- Recommendation 6: Technology Resources
- Recommendation 7: Financial Planning and Stability
- Recommendation 8: Board of Trustees Evaluation and Policies
- Recommendation 9: Leadership and Governance
- Eligibility Requirement 5: Administrative Capacity.

Probation is issued when the commission finds that an institution deviates significantly from the commission's eligibility requirements, standards of accreditation, or policies or fails to respond to conditions imposed upon it by the commission.

2011

On January 31, 2011, the Accrediting Commission for Community and Junior Colleges, under the Western Association of Schools and Colleges, took action to continue the district on Probation and require the district to complete a Follow-Up Report by October 15, 2011, in conjunction with the district's Mid-term Report. The Follow-Up Report was to demonstrate the institution's resolution of the recommendations:

- Recommendation 2: Planning and Assessment
- Recommendation 6: Technology Resources
- Recommendation 7: Financial Planning and Stability
- Eligibility Requirement 5: Administrative Capacity.

2012

On February 1, 2012, the Accrediting Commission for Community and Junior Colleges, under the Western Association of Schools and Colleges, notified San Luis Obispo County Community College District, Cuesta College in writing that the commission acted to order Show Cause and to require the district to submit a Show Cause Report by October 15, 2012. The Show Cause was ordered for the San Luis Obispo County Community College District, Cuesta College for deficiencies associated with:

Recommendation 2: Planning and Assessment
Recommendation 6: Technology Resources
Update on Recommendation 7: Financial Planning and Stability
Eligibility Requirement 19: Institutional Planning and Evaluation.

Show Cause is ordered when the commission finds that an institution is in substantial non-compliance with its eligibility requirements, accreditation standards, or commission policies or when the institution has not responded to the conditions imposed by the commission. The commission requires the institution to Show Cause why its accreditation should not be withdrawn at the end of a stated period by demonstrating that it has corrected the deficiencies noted by the commission and is in compliance with eligibility requirements, accreditation standards, and commission policies.

Policy on Closing an Institution

The Accrediting Commission for Community and Junior Colleges Policy on Closing an Institution stipulates that “Before closing, the governing board should consider carefully such alternatives as merging with another institution, forming a consortium, or participating in extensive institutional sharing and cooperation.” As a result, the President of the Board of Trustees and the Superintendent/President have worked diligently to ensure that the interests of the students are protected.

In the event the Closure Plan is slated to be activated by the beginning of spring session 2013, the San Luis Obispo County Community College District would establish in advance and in a consultative process the following steps, identified below with responsible parties assigned:

- Engagement of each identified constituency group in consultation and closure planning, *Board of Trustees, Administration and College Governance.*
- Proposed alternative(s) to closing, *Board of Trustees and Administration.*
- Review of and proposed response to state and/or national law relative to legal responsibilities such as transfer of title to real property and employee entitlements, *President of the Board of Trustees, Board of Trustees, Administration, Cuesta College Federation of Teachers and Cuesta College Classified United Employees.*
- Instructional Services Agreement with an accredited college to offer contracted instructional services. (A substantive change proposal would need to be approved by Accrediting Commission for Community and Junior Colleges for this to be a viable option),

President of the Board of Trustees, Board of Trustees, Administration and Academic Senate.

- Governing Board Fully Informs all Affected Constituents, *Board of Trustees and Administration.*
- Provide for Student Completion of Programs and the Securing of Student Records, *Board of Trustees and Administration.*

In adherence to the Accrediting Commission for Community and Junior College's "Policy on Closing an Institution" requirements, the following is a list of the activities the college needs to fully address to ensure that transition for students is smooth:

- A complete analysis and action plan for the following elements:
 - Student Completion – target date of March 15, 2013
 - Disposition of Academic Records and Financial Aid Transcripts – target date of June 1, 2013
 - Provisions for Faculty and Staff – target date of March 15, 2013
 - Disposition of Assets – target date of September 30, 2013
 - Obligations to Creditors – target date of September 30, 2013
 - Coordination with the Accrediting Commission for Community and Junior Colleges (ACCJC) – Ongoing
 - Key Governing Board Obligations – formal vote to terminate the institution – target date for this action to be the regular meeting of the Board of Trustees on October 2, 2013.

A. Student Completion

- The San Luis Obispo County Community College District will make arrangements for student transfers to other institutions, which will require complete academic records and other related information gathered in dossiers that can be transmitted promptly to receiving institutions.
- In the event the district loses faculty mid-term spring 2013, the district will work with neighboring institutions to provide students the opportunity to complete courses.
- Agreements made with other institutions to receive transferring students and to accept their records will be submitted to the Accrediting Commission for Community and Junior Colleges for approval.
- The San Luis Obispo County Community College District will make arrangements with the appropriate federal or state grants agencies to transfer the grants to the receiving institutions. Appropriate agreements will be negotiated so that student-held scholarships, grants, or other available funds can be legally used. If agreements cannot be negotiated, students will be fully informed.

- The San Luis Obispo County Community College District will use as its guide the equitable treatment of students by providing for the educational needs of students who have not completed their degrees and educational programs.
- For students who have completed 75% of an academic degree and educational program, arrangements will be made to permit those students to complete their requirements for a degree and educational program elsewhere, but to receive the degree and educational program from the closed institution. Arrangements shall be made with the Accrediting Commission for Community and Junior Colleges for continuation of the college's accreditation by the Accrediting Commission for Community and Junior Colleges for this purpose only. It is acknowledged that written Accrediting Commission for Community and Junior Colleges consent is required and would require the institution to continue as a legal corporate entity for 12-18 months beyond the closing date. Once the district's accreditation is terminated, San Luis Obispo County Community College District will no longer be authorized to award accredited degrees.
- If notified to close, San Luis Obispo County Community College District will demonstrate that it shall remain stable, carry out its mission, meet all obligations to existing students, and demonstrate that it can provide student access to alternative programs and services. Attention will be given to making arrangements with institutions that would require the least additional travel for students.
- If accreditation is removed, a list of students who have completed 75% of an academic degree and educational program by the end of spring 2013 semester will be generated. Included with the final transcript, there will be a letter addressing the district's accreditation status and the student's eligibility for transfer. If applicable, the University of California and the California State University campuses as well as other institutions will receive correspondence from the Superintendent/President on the district's accreditation status.
- The Vice President of Student Services Office will be responsible for notifying students who have completed 75% of an academic degree and educational program of their potential graduation/completion status. Students will be informed of their status for a degree/certificate and their option to receive a degree/certificate under the San Luis Obispo County Community College District or other institutions if they are to complete the respective curriculum. After a loss of accreditation, San Luis Obispo County Community College District students would have no other option except to transfer to another accredited institution.
- The college will issue a letter for each student indicating the closure of the college and to ensure the acceptance of the credits by other accredited institutions. If applicable, the Superintendent/President of San Luis Obispo County Community College District will send notifications to the neighboring colleges (Allan Hancock College, Taft College, West

Hills College, Hartnell College, Bakersfield College, Monterey Peninsula College, Santa Barbara City College, Moorpark College, Ventura College and Antelope Valley College). This will alert them of the closure and a request for acceptance of San Luis Obispo County Community College District students and their credits before the termination date.

- The district will provide each student with the most up-to-date transcript at the time of request. The district will also provide information to the students by mailings, telephone hotlines and posting on the district's website to inform students where they can retrieve a copy of their transcripts. Communication will be made available in English and Spanish.

B. Disposition of Academic Records and Financial Aid Transcripts

The San Luis Obispo Community College District will take steps to convert all student files to electronic data. Prior to summer 1984, all records were hard-copy permanent records that have been converted electronically and stored with Xtender or ATI Filer (document imaging system) on a secured server. Since summer 1984 all records were stored in the legacy "Santa Rosa" system. In fall 2008 the district converted to the SunGard Banner Student System. A conversion of all records for Student Services Departments is in progress and will be completed by fall 2012.

Student files in Admissions and Records are 95% electronic except for enrollment records such as census rosters which will be converted to electronic files by fall 2012. All Admissions and Records files have been moved from the legacy "Santa Rosa" system to SunGard Banner Student System. Additional Admissions and Records data is available through ARGOS reports. Prior to fall 2008 enrollment records were permanently stored off site with DocuTeam, identified as Class 1 as determined by destruction policy. Other Admissions and Records documents such as California State University Certification, Intersegmental General Education Transfer Curriculum (IGETC) Certification are stored electronically on a secured server. Degree evaluations have been stored electronically in Xtender since 1990. Records prior to 1990 are stored off site with DocuTeam or destroyed securely in a foolproof method as records kept for three years.

According to the Department of Education and the Chancellor's Office, student financial aid records must be retained for a minimum of three years. Financial aid records prior to 2007-2008 have been moved from the legacy "Santa Rosa" system to SunGard Banner Student System. Computer Services is in the process of creating ARGOS reports to access additional data. Any files prior to 2010-11 are housed off site with DocuTeam. Approximately 80% of student files for 2011-2012 have been scanned and are stored on a secured server. The

remainder of those files will be scanned by the end of fall 2012. Financial aid student records received for 2012-2013 are 100% electronic. Additional financial aid documents and reports such as Program Participation Agreements, Approval Letters, and Eligibility and Certification Approval Reports (ECAR), Fiscal Operations Reports and Applications to Participate (FISAP), and Board Financial Assistance Program (BFAP), would also need to be converted electronically on a secured server.

The college will notify the Accrediting Commission for Community and Junior Colleges, the Chancellor's Office, the Department of Education, students, and any additional entities of the location of stored records. Once the campus site is no longer available, accessibility arrangements and instructions will be provided for these records. The college will work with the state Chancellor's Office to contract with other entities to store electronically all transcripts and other necessary records that will be available per student request.

The San Luis Obispo County Community College District will announce the process and procedures students may use to obtain their transcripts and any necessary student-related documents through the news media in both English and Spanish. The college district will set up a bilingual (English/Spanish) telephone hotline with instructions on how to obtain student records. This information will also be placed on the existing college district website, which will continue to be maintained.

C. Provisions for Faculty and Staff

As required, the district will arrange for continuation of the faculty and staff that will be necessary for the completion of the institution's work up to and after the closing date. It will be communicated that the institution can make no guarantees, but that the institution will put forth genuinely good faith efforts to assist faculty and staff in finding alternative employment. In the event that faculty or staff members find new positions, early resignations will be accepted.

- In the event of closure, all certificated employees would receive their March 15 notices following commission action on the San Luis Obispo County Community College District show cause report.
- In the event of closure, all classified employees would receive their 60-day lay-off notices.
- In the event of closure, the San Luis Obispo County Community College District would contact neighboring districts and colleges (Allan Hancock College, Taft College, West Hills College, Hartnell College, Bakersfield College, Monterey Peninsula College, Santa

Barbara City College, Moorpark College, Ventura College and Antelope Valley College) for available employment and notify the faculty and staff regarding any openings.

- The district may consider an early retirement incentive to be processed for certificated and classified employees.
- The district would continue to accept resignations or early retirements.
- The San Luis Obispo County Community College District management or administration is available, upon request, to write references for faculty and staff. In addition, the district will disseminate information regarding other job opportunities to faculty and staff. Through lay-off notices, the district would inform all faculty and staff of the possibility of closure. The Human Resources Department will actively post job opportunities and work with faculty and staff in alternative placement.
- In the event of closure, all long-term off-site (credit/non-credit instruction) existing contracts/memorandums of understanding or Lease Agreements would be terminated with month-to-month continuations in some locations based on summer course offerings. All lease agreements would be reviewed and established in collaboration with any potential merger district upon notification of closure.

D. Disposition of Assets

Determinations will be made to allocate whatever financial resources and assets remain after the basic needs of current students, faculty, and staff are provided. As required, institutional assets will be used in ways that honor the intentions of the original providers. If the financial resources of the institution are inadequate to honor commitments, including those to the accrediting commission, the Board of Trustees will investigate what alternatives and protection are available under applicable bankruptcy laws before deciding to close. If funds are insufficient to maintain normal operations through the end of the closing process, the institution will consider the possibility of soliciting one-time gifts and donations to assist in fulfilling its final obligations.

E. Obligations to Creditors

The San Luis Obispo County Community College District will establish a clear understanding with its creditors and all other agencies involved with its activities to ensure that their claims and interests will be properly processed. Insofar as possible, the district shall assure that its final arrangements will not be subject to later legal proceedings, which might jeopardize the records or status of its students or faculty. As required, all concerned federal, national and state agencies will be apprised of the institution's situation, and any obligations relating to estate or governmental funds will be cleared with the appropriate agencies.

Every effort will be made to develop publicly defensible policies for dividing the resources equitably among those with claims against the institution. To the extent possible, potential claimants will be involved in the process of developing the policies. It is acknowledged that the time and effort devoted to carrying the process to a judicious conclusion may considerably reduce the likelihood of lawsuits or other forms of confrontation.

It is recognized that the following three principles may help to identify and prioritize possible claims and to set priorities:

1. Students have the right to basic minimal services during the final term, not only in the academic division, but also in the business office, financial aid office, registrar's office, counseling, and other essential support services. Staff must be retained long enough to provide these services. It may be appropriate to offer special incentives to keep key personnel present.
2. Reasonable notice must be given to all employees, explaining the possibility of early termination of contracts and that the reasons for retaining some personnel longer than others are based on satisfying the minimal needs of students and the legal requirements for closing.
3. Every effort shall be made to honor long-term financial obligations (loans, debentures, etc.) even though the parties holding such claims may choose not to press them.

F. Coordination with the Accrediting Commission for Community and Junior Colleges

The Accrediting Commission for Community and Junior Colleges and specialized accrediting bodies will be consulted and kept fully apprised of developments as the plan to close an institution progresses. As required, arrangements will be completed with the Accrediting Commission for Community and Junior Colleges in advance of closure in order to assure that a legally authorized and accredited institution awards degrees. A final report on the closing will be submitted to the Accrediting Commission for Community and Junior Colleges for its records. The Accrediting Commission for Community and Junior Colleges will also be notified of the location where student records will be stored.

- In the event of closure, the Board of Trustees of the San Luis Obispo County Community College District and the Superintendent/President of the district will consult with and keep the Accrediting Commission for Community and Junior Colleges apprised of developments as the plan to close an institution progresses.

- San Luis Obispo County Community College District will complete arrangements with the Accrediting Commission for Community and Junior Colleges before the closure is in place in order to assure that students have transferred to legally authorized and accredited institutions including any partnership institutions. Student completion will be provided for as detailed in section A of this document.
- In event of closure, the district will submit a final closure report to the Accrediting Commission for Community and Junior Colleges and determine where student records will be permanently stored.

G. Key Governing Board Obligations

As required, the San Luis Obispo County Community College District Board of Trustees will take a formal vote to terminate the institution on a specified date. That date will depend on a number of factors including the decision to file or not to file for bankruptcy. Another key factor is whether or not all obligations to students will have been satisfactorily discharged. This is particularly important if the decision is made to allow students to graduate from the institution by completing their degree requirements elsewhere. If such arrangements are made, the board will take the legal action necessary to permit awarding degrees after the institution otherwise ceases to function. A formal vote to award degrees will be made after all requirements have been met, but alternatively, the board may make arrangements for students to complete the requirements for a degree at another institution and to receive the degree from the closed institution. These requirements will be clearly specified along with a deadline for completion. The San Luis Obispo County Community College District will also identify the person or persons authorized to determine whether or not these requirements have been satisfied. As required, arrangements will be completed with the commission in advance in order to assure that a legally authorized and accredited institution awards degrees.

- In the event of closure, the San Luis Obispo County Community College District Board of Trustees will take a formal vote to terminate the institution. The date of termination will be determined by the timing of the Accrediting Commission for Community and Junior Colleges' termination-of-accreditation decision and on the progress of the closure activities. The board will ensure that the current 75% completion students will be able to be graduated from San Luis Obispo County Community College District by completing their requirements elsewhere or through any approved partnerships. The board will: take the legal action to set a deadline for completion of degrees and certifications; authorize the Superintendent/President of the college to determine whether or not these requirements have in fact been satisfied; and make arrangements with the Accrediting Commission for Community and Junior Colleges in advance regarding San Luis Obispo County Community College District granting degrees. San Luis Obispo

County Community College District is clear that in the event of termination, the college will not be authorized to award accredited degrees nor enroll new students beyond the end of the spring 2013 semester.

- The Board of Trustees will decide the date to file for bankruptcy if necessary and determine whether or not all obligations to students have been satisfactorily discharged.



CUESTA COLLEGE

San Luis Obispo County Community College District



CUESTA COLLEGE

San Luis Obispo County Community College District

San Luis Obispo County Community College District



P.O. Box 8106 • San Luis Obispo, CA 93403-8106 • (805) 546-3100