MIRACOSTA COMMUNITY COLLEGE DISTRICT
ONE BARNARD DRIVE — OCEANSIDE, CA

MINUTES OF REGULAR MEETING/WORKSHOP **JANUARY 14, 2015**
(Approved February 18, 2015)

I. CALL TO ORDER

The Board of Trustees of the MiraCosta Community College District met in a regular meeting/workshop on Wednesday, January 14, 2015, in Aztlan A/B, Student Center, Oceanside Campus. Board President Jeanne Shannon called the meeting to order at 3:07 p.m.

II. FLAG SALUTE / ROLL CALL

Board members present:

David Broad	Leon Page
Rick Cassar	Jeanne Shannon
William Fischer	Jacqueline Simon
George McNeil	

Administrators present:
Superintendent/President Sunny Cooke
Vice President Mary Benard
Vice President Dick Robertson

III. PUBLIC COMMENTS ON ITEMS ON AND NOT ON THE AGENDA

None.

IV. PRESENTATION

A. FY2014 Annual District Audit Presentation

Mr. Bill Rauch, of the audit firm of Vavrinek, Trine, Day & Co. LLP, recapped the 2014 audit, noting that the district received an unmodified opinion with no material weaknesses or management comments. President Shannon commended Fiscal Services staff for their work in completing the audit.

V. WORKSHOP

A. Accreditation: The Role of the Board

In preparation for the 2016 comprehensive accreditation site visit, the Board of Trustees requested a review of the board's role in governance and accreditation.

Dr. George Boggs facilitated a workshop on the accreditation self-evaluation process and the preparation phases for the accreditation cycle. The various roles and duties of a governing board throughout the process were reviewed and discussed.

VI. ADJOURNMENT

The regular meeting/workshop adjourned at 6:20 p.m.

MINUTES APPROVAL:

Jeanne Shannon
Board President

Sunita V. Cooke. Ph.D.
Superintendent/President

MIRACOSTA COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES

REGULAR MEETING
3 P.M. – WEDNESDAY – JANUARY 14, 2015
AZTLAN A/B – BUILDING 3400

AGENDA

I. CALL TO ORDER

II. FLAG SALUTE / ROLL CALL

III. PUBLIC COMMENT ON ITEMS ON AND NOT ON THE AGENDA

ITEMS ON THE AGENDA: Members of the audience may address the Board of Trustees on any item listed on the agenda when that agenda item comes up for discussion and/or action. Comments will be limited to three (3) minutes per agenda item and a total of fifteen (15) minutes of public comment on an item, unless waived by the board. Consent items are considered routine and customary district business, and are voted on in one vote; however, a board member or a member of the audience may request that an item listed on the consent items be removed and considered individually.

ITEMS NOT ON THE AGENDA: Members of the audience may address the Board of Trustees on any topic not on the agenda so long as the topic is within the jurisdiction of the district. Under the Brown Act, the board is not permitted to engage in public discussion or take any action on an agenda item not on the agenda, except that members of the board may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Government Code §54954.3. In addition, on their own initiative, or in response to questions posed by the public, a member of the board may ask a question for clarification. A member of the board or the board itself may provide a reference to staff (superintendent/president) or other resources for information, request staff (superintendent/president) to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff (superintendent/president) to place a matter of business on a future agenda. Comments from visitors shall not exceed three (3) minutes unless the board waives the time limit. The board may also limit the total amount of time for speakers on a particular topic to fifteen (15) minutes.

IV. CHANGES IN AGENDA ORDER

V. PRESENTATIONS

A. FY2014 Annual District Audit Presentation

VI. WORKSHOP

A. Accreditation: The Role of the Board

VII. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS

VIII. ADJOURNMENT

UPCOMING MEETING

3 p.m. – January 21, 2015
John MacDonald Board Room
Building 1000 – Oceanside Campus

Board meetings are held in meeting rooms that are accessible to those with mobility disabilities. If you wish to attend the meeting and you have another disability requiring special accommodation, please notify the Board Assistant Secretary, 760.795.6610, 760.757.2121, extension 6610, or 619.755.5155, extension 6610. The TDD number is 760.439.1060.

In compliance with Government Code §54957.5, nonexempt writings that are distributed to a majority or all of the MiraCosta Community College District Board of Trustees in advance of their meetings may be viewed at the Office of the Superintendent/President, One Barnard Drive, Oceanside, California, or by clicking on the Board of Trustee's Web site at http://www.miracosta.edu/OfficeOfThePresident/BoardofTrustees/Agendas.htm. Such writings will also be available at the board meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact Evelyn Crogan, Executive Assistant to the Superintendent/President, at 760.795.6610 or by e-mail at edalby@miracosta.edu.

Subject:	Attachment:
FY2014 Annual District Audit Presentation	FY2014 Annual District Audit
Category:	Type of Board Consideration:
Presentations	✔ Information Consent Action
Recommended:	Approved for Consideration:
Charlie Ng, Vice President Business and Administrative Services	Sunita V. Cook, Ph.D. Superintendent/President

BACKGROUND

California Education Code §84040 requires that the governing board of each community college district shall provide for an annual audit of all funds, books, and accounts of the district in accordance with the regulations of the Board of Governors in order to encourage sound fiscal management practices and fiscal accountability. The MiraCosta Community College District annual audit has been completed and is available on the district website at http://www.miracosta.edu/administrative/downloads/MiraCostaCommunityCollegeDistrictAuditReport.pdf. The audit firm of Vavrinek, Trine, Day, & Co., LLP, certified public accountants licensed by the California Board of Accountancy, conducted the audit. The format and financial statement information is in accordance with the reporting standards of Governmental Accounting Standards Board Statement No. 34 and 35, which provides consistency in the reporting model used with other California community college districts.

STATUS

The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, along with assessing the accounting principles used and significant estimates made by management. It is the opinion of the auditing firm that the basic financial statements present fairly, in all material respects, the financial position of the MiraCosta Community College District as of June 30, 2014, as noted on page 2. A summary of the auditor's results can be found on page 73. Once again, the district has received an unmodified opinion with no material weaknesses or management comments noted.

A representative of the audit firm of Vavrinek, Trine, Day, & Co., LLP will present the audit report and will be available to answer any questions.

RECOMMENDATION

The audit is presented for information only.

Board of Trustees and Management
MiraCosta Community College District
Oceanside, California

We have audited the financial statements of business-type activities of MiraCosta Community College District (the District) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 22, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 65 in the current year, which has been described in Note 2 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the government-wide financial statements was:

> Management's estimate of the OPEB liability is based on the work performed by an actuary. We evaluated the key factors and assumptions used by the specialist to develop the OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements of the financial statements.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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FRESNO • LAGUNA HILLS • PALO ALTO • PLEASANTON • RANCHO CUCAMONGA • RIVERSIDE • SACRAMENTO

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 16, 2014.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we applied certain limited procedures to management's discussion and analysis, and other postemployment benefit information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other supplementary information as listed on the table of contents of the audit report, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of MiraCosta Community College District and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co., LLP.
Rancho Cucamonga, California
December 16, 2014

Subject:	Attachment:
Accreditation: The Role of the Board	None
Category:	Type of Board Consideration:
Presentations	✔ Information Consent Action
	Approved for Consideration:
	Sunita V. Cooke, Ph.D. Superintendent/President

BACKGROUND

MiraCosta College is accredited by the Accrediting Commission for Community and Junior Colleges (ACCJC), which provides quality assurance for community colleges and other associate degree-granting institutions in the Western United States. In preparation for the 2016 comprehensive site visit, the Board of Trustees is engaging in education related to the newly established accreditation standards, as well as the board's role in governance and accreditation. This will enable the board to best support the work of the college during the self-evaluation and preparation phases of the accreditation cycle.

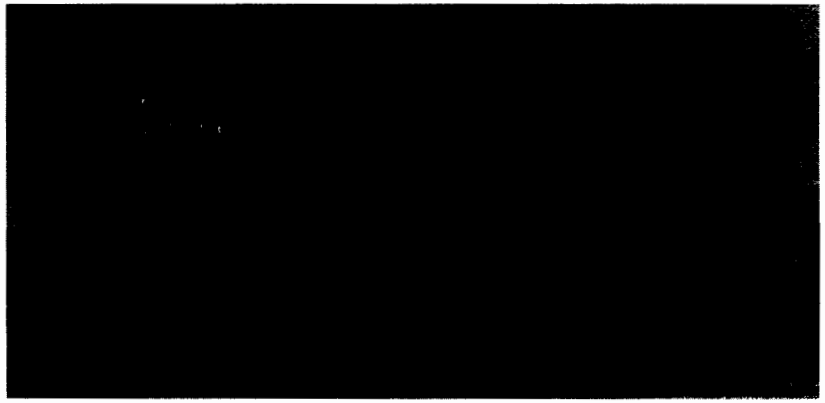
STATUS

The Board of Trustees selected Dr. George Boggs to conduct the accreditation workshop. Dr. Boggs was formerly president of the American Association of Community Colleges and has over 44 years of experience in education and policy work.

RECOMMENDATION

For information only.

MiraCosta College Board Workshop



January 14, 2015

George R. Boggs, Ph.D.

Facilitator

Workshop Agenda

- MiraCosta College values
- Accreditation and the Board
  - Roles of the Board
  - Authority of the Board
- Responsibilities of the Board
  - Board decisions
  - Board-CEO relationship
  - Trustee resources

College Mission

- **The MiraCosta Community College District mission** is to provide superior educational opportunities and student-support services to a diverse population of learners with a focus on their success.
- MiraCosta offers associate degrees, university-transfer courses, career-and-technical education, certificate programs, basic-skills education, and lifelong-learning opportunities that strengthen the economic, cultural, social, and educational well-being of the communities it serves.

MiraCosta College Pledge

- MiraCosta College makes a solemn pledge of quality assurance and dedication of its resources and processes to foster student success, access, student learning, and pursue institutional excellence.
- What does "institutional excellence" mean to you?

MiraCosta College Commitment

- MiraCosta College commits to a systemic and sustained focus on continuous improvement through self-reflection, collaboration and institution-wide dialog, assuring the integrity, effectiveness, and quality of our institution.
- How can the Board demonstrate a focus on continuous improvement?

Motivation

- What motivated you to become a MiraCosta Trustee—or what continues to motivate you?
- What do you like most about being a trustee?
- When you leave the Board, what do you want to be remembered for?

External & Internal Communities (1)

- Whom does the Board represent?
- To whom is the Board responsible?
- Everyone watches the Board. How can it set the tone for respect and cooperation?
- How should trustees handle communications & complaints from external & internal constituencies?

External & Internal Communities (2)

- What are some reasons to attend community events?
- What are some appropriate & inappropriate reasons to be on campus?
- Why should you recognize the achievements of students, faculty, & staff?
- What is the advocacy role of the Board?

The Board & Accreditation

- What is the reason for accreditation & why is it important?
- Accreditation processes
  - Self-study & self-study report
  - Team visit & report
  - Commission action & notification

New ACCJC Standards

- Standard I: Mission, Academic Quality & Institutional Effectiveness, & Integrity
- Standard II: Student Learning Programs & Support Services
- Standard III: Resources
- Standard IV: Leadership & Governance

Standards

- Question: At what time must a college be in compliance with accreditation and eligibility standards?
- Answer: At all times.

Levels of Sanctions

- Require issues to be addressed in a follow-up report
- Require follow-up report & visit
- Warning
- Probation
- Show cause
- Termination

ACCJC Data on Sanctions

Colleges on Sanction January 2009 – January 2013

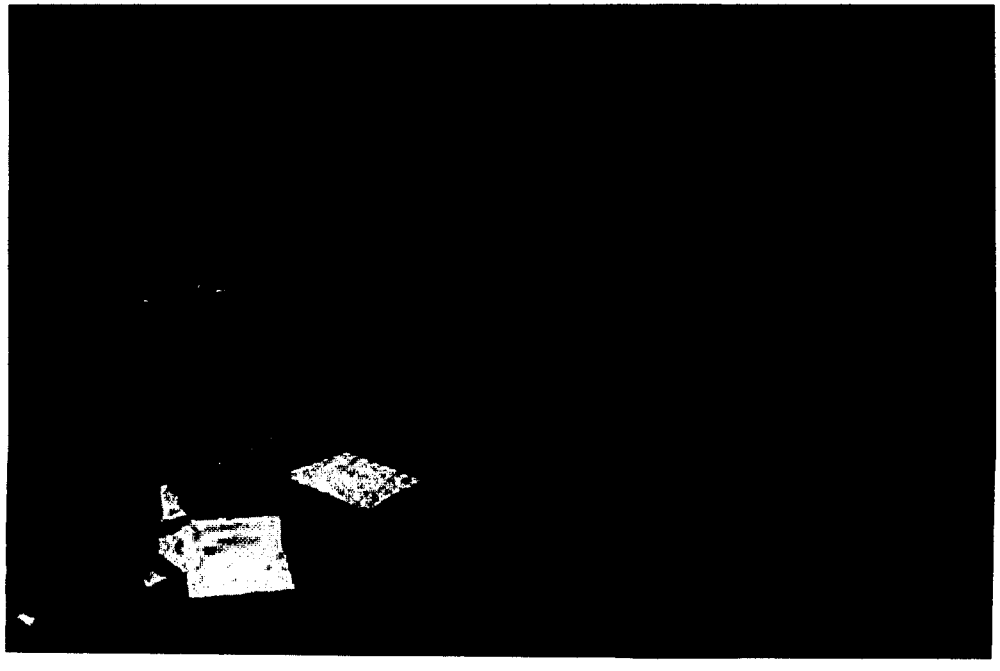
Top Deficiencies Causing Sanctions

Colleges on Sanction	Program Review	Planning	Internal Governance	Board	Financial Stability or Management
2009 Sanctions (n=24)		92% (22)	46% (11)	46% (11)	54% (13)
2010 Sanctions (n=19)		89% (17)	42% (8)	58% (11)	58% (11)
2011 Sanctions (n=21)		71% (15)	24% (5)	67% (14)	62% (13)
2012 Sanctions (n=28)		71% (20)	18% (5)	71% (20)	50% (14)
2013 Sanctions (n=25)		64% (16)	20% (5)	68% (17)	52% (13)

Please note category increasing in frequency in table above

Board Responsibility for Policy

- Policy development (IV C 1)
- Policy review (IV C7)
- How do policies differ from procedures?



Difference between Policy and Procedures

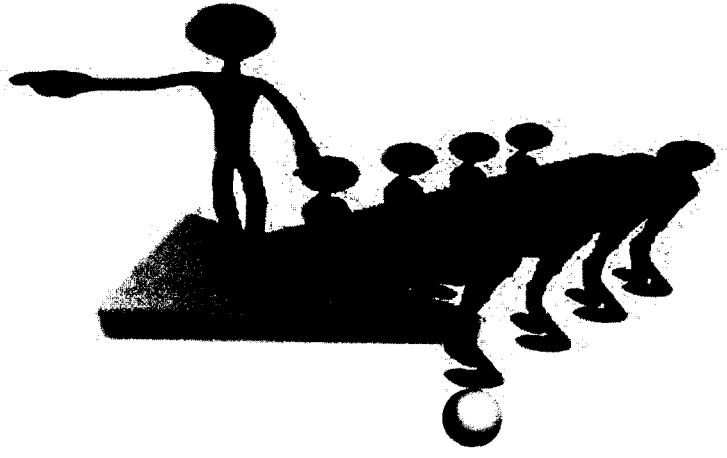
- Policy defines the "what"
  - broad goals & expected outcomes
  - standards of prudence and ethics

- Procedures define the "how"
  - the "doing" by college employees
  - developed by college staff; approved by the CEO

- Focusing on policy helps boards avoid micromanagement

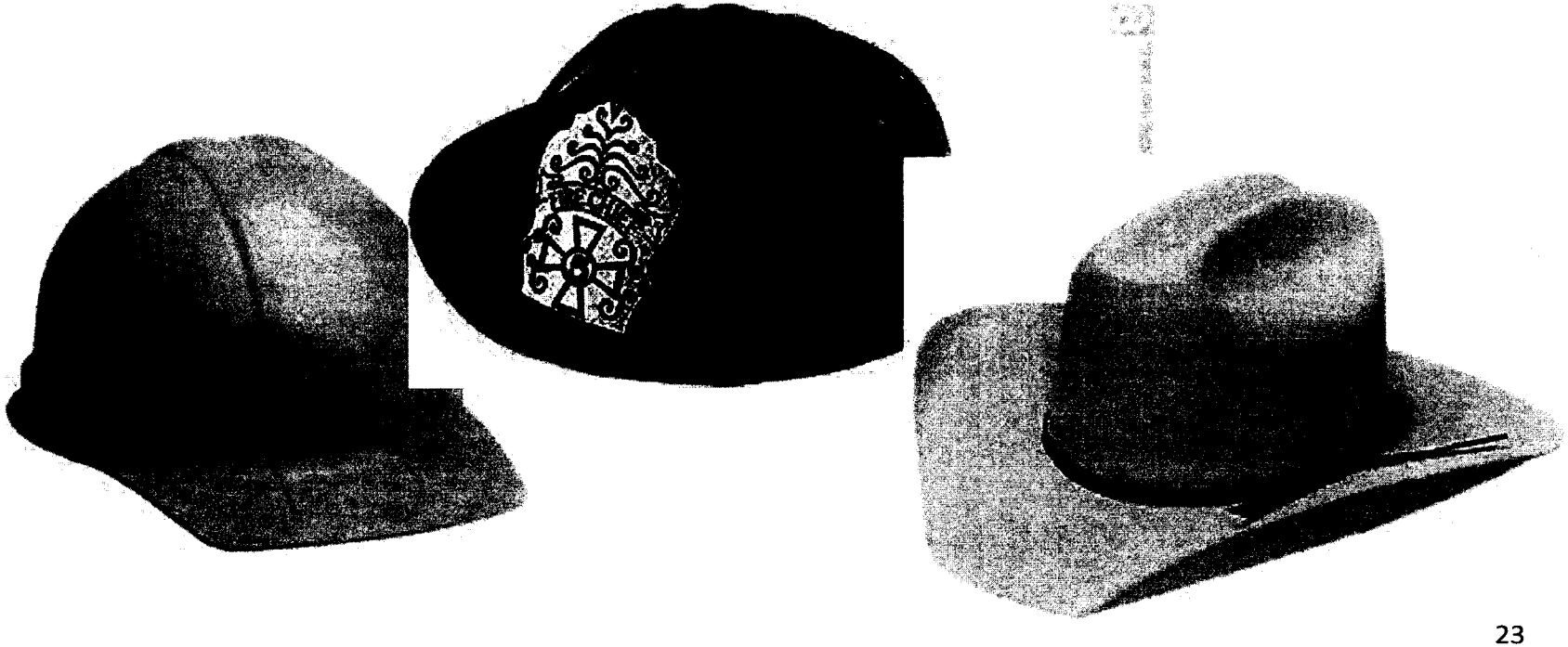
Board as a Collective Entity (IV C2)

- Individual Trustees have NO authority
- The authority of the Board is exercised only in an official Board meeting
- The Board does not do things – that's the CEO's role
- The Board's focus is on the "what" not the "how"



Remember to Switch Hats

- You may be an educator, an attorney, or a banker, but in a Board meeting, you are a trustee

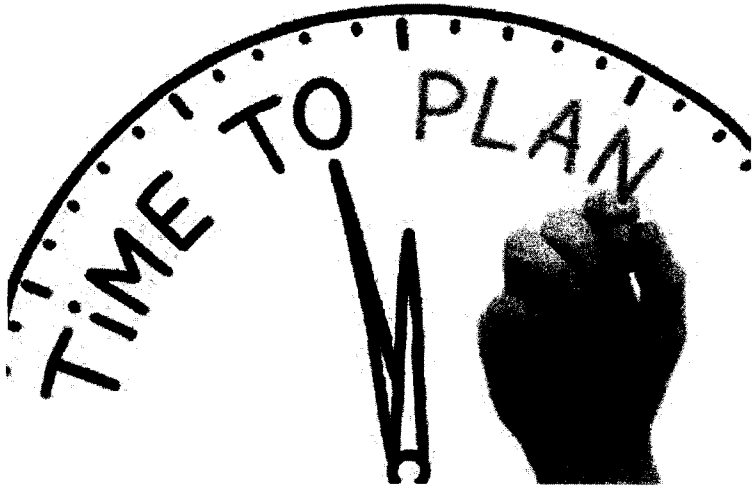


Act in Public Interest & Protect College

- How are Board goals set?
- Why should the Board focus on the long term?
- How important are facilities & maintenance?
- How can the Board protect the mission of student learning?

Educational Quality & Student Success (IV C 5 & 8)

- Measures of student success
- AAT/AST (transfer) degrees
- Who is responsible for "what" and for "how?"
- Integration of plans
  - Academic Master Plan
  - Facilities Plan
  - Technology Plan
  - Fiscal Plan



Monitoring

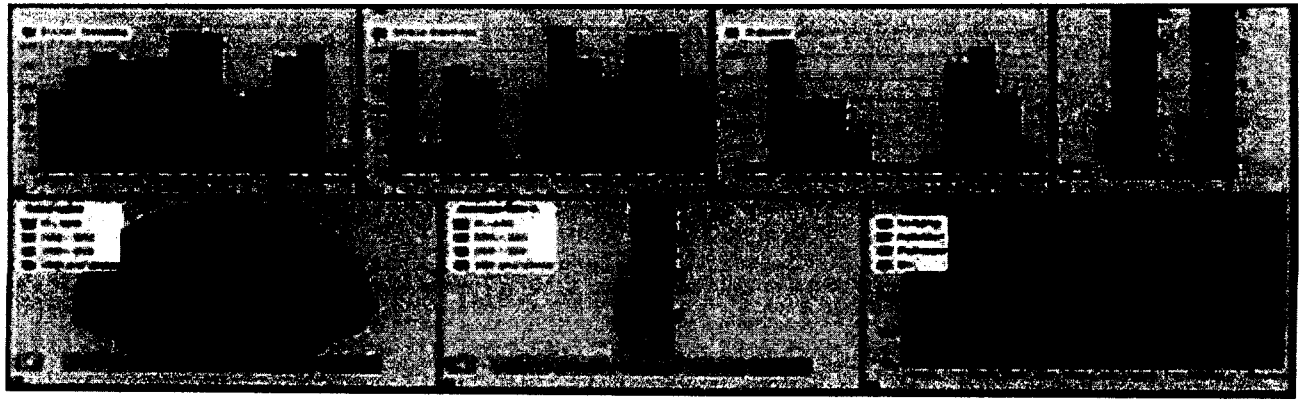
- Monitoring reports
- Outcomes versus processes
- Evaluation versus monitoring
- Supporting calculated risks
- Dashboards (Board Goal #4)
- Checking Student Success Scorecard at **http://scorecard.cccco.edu/scorecardrates.aspx?CollegeID=051**

Completion Data

Prepared: 69.7%	Prepared: 70.2%
Unprepared: 42.8%	Unprepared: 40.5%
Overall: 55.9%	Overall: 48.1%

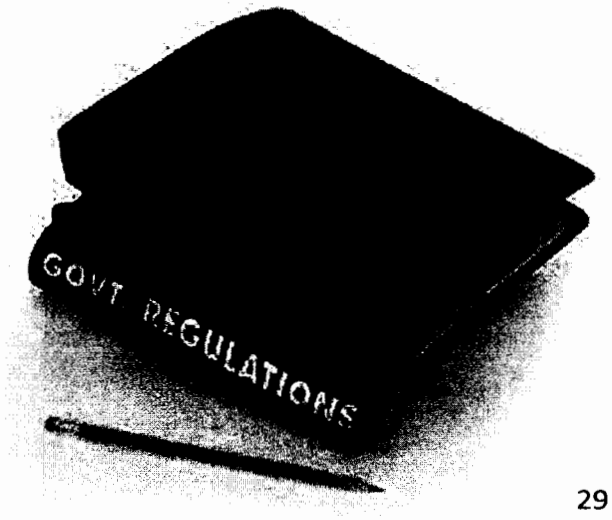
MONITORING

- What kinds of student success information would you like to see presented to the Board & how often?
- What information should be on the dashboard?



Federal Regulations

- Gainful employment
- Return of Title IV student aid funding
- State authorization
- Definition of the credit hour
- Loan default rates
- Crime reporting



Legalities and Ethics (IV C 5 & 11)

- Legality versus ethics
  - Posting & open meeting act
- Codes of ethics
- Conflict of interest
- Special interests
- Controlling inappropriate behavior

Tests of Ethical Behavior

- Is it legal (will I violate either civil law or company policy?)
- Is it balanced (is it fair to all concerned in the short- and long-term)? Does it promote win-win relationships?
- How will it make me feel about myself?

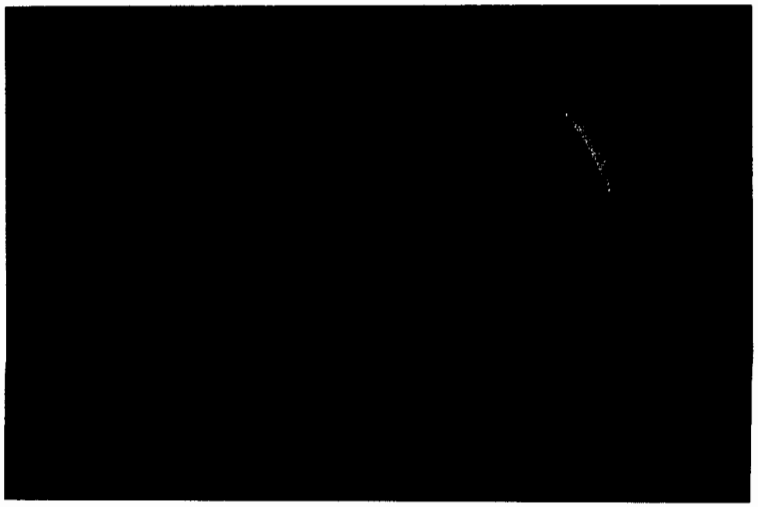
From *The Power of Ethical Management*
(Blanchard & Peale)

Ethics/Standards of Practice

- ***Am I doing to others what I would want done to me?***
- ***Would I mind seeing what I'm doing on the front page of tomorrow's newspaper?***
- ***Am I comfortable with members of my family knowing what I'm doing?***
- ***Would I want employees and students to do what I'm doing?***

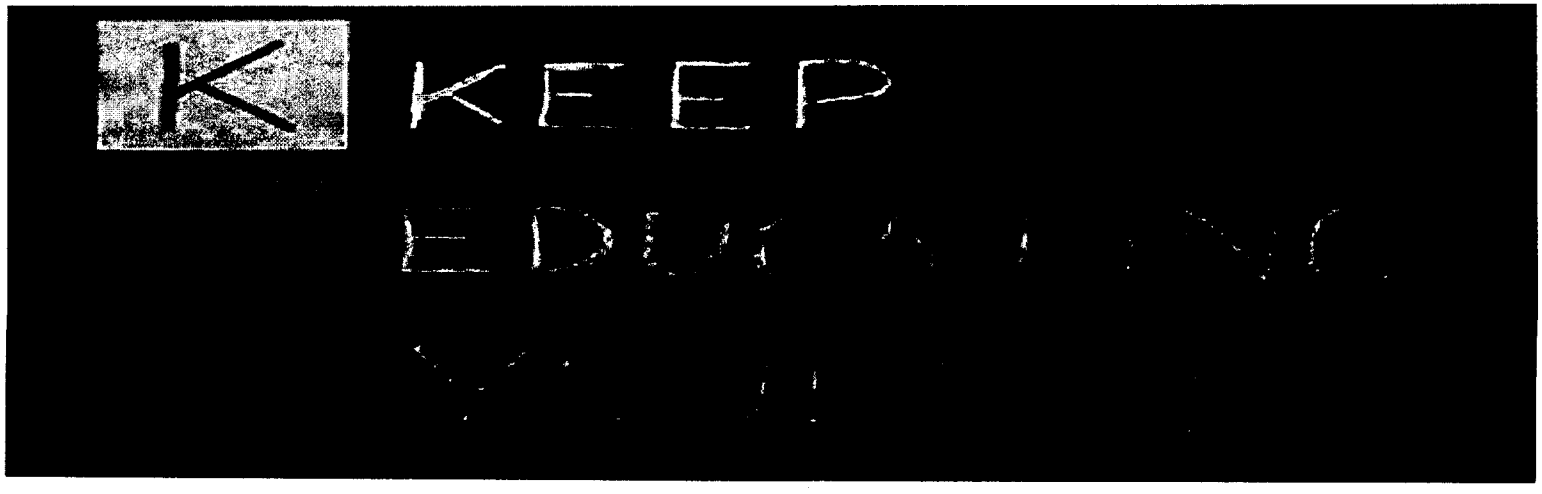
Herbert Taylor's Four-Way Test

- Is it the truth?
- Is it fair to all concerned?
- Will it build good will and better friendships?
- Is it beneficial to all concerned?



Orientation & Development (IV C9)

- CCLC resources
- ACCT resources
  - Workshops



Red Flag Raisers

- "Rogue" or "renegade" behavior
- Surprising CEO/administrators (esp. in meetings)
- Media finger pointing
- Political agendas
- Lack of preparation
- Lack of attention
- Not complying with Board policies during meetings

Expect Exemplary Behavior

- Only the Board can regulate itself
- It starts with the Board chair
  - meeting management
  - fostering ethical behavior
  - mentoring colleagues
  - holding colleagues accountable
- The Board must maintain high expectations / don't accept less than high ethical behavior

Board Self-Evaluation (IV C 10)

- How can the Board best perform a self-evaluation?
- What should you do with the evaluation data?

Financial Integrity & Stability

- Adopt balanced budget aligned with mission & goals
- Watch out for future unfunded liabilities
- Study quarterly monitoring reports
- Study annual audit
- Look for multi-year trends
- Plan for future costs
- Look at the big picture versus minutia

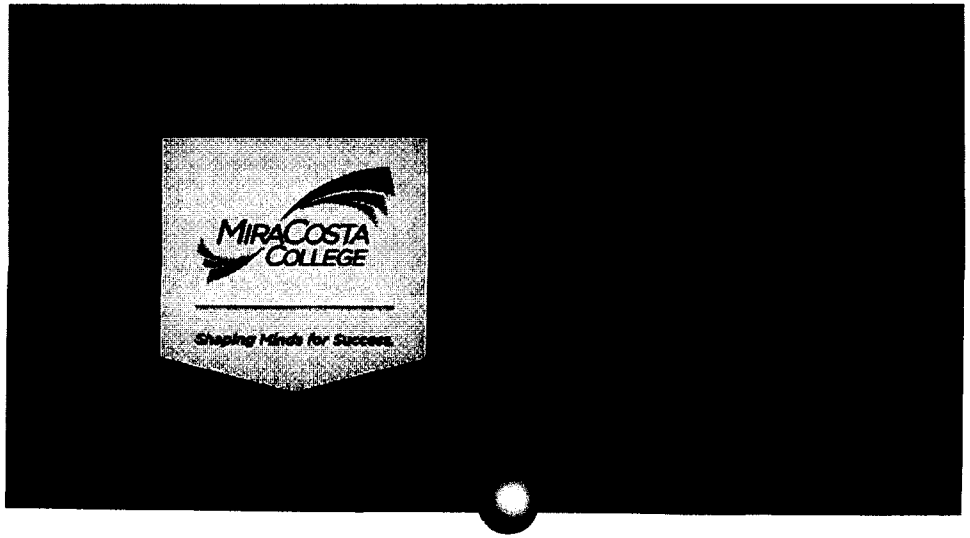
Cost of Employee Retirement

- The state has recently adopted new contribution rates for STRS & PERS

F/Y	STRS	PERS
14/15	8.88%	11.771%
15/16	10.73%	12.60%
16/17	12.58%	15.00%
17/18	14.43%	16.60%
18/19	16.28%	18.20%
19/20	18.3%	19.90%
20/21	19.1%	20.40%

Board Decisions (1)

- How do you prepare for Board meetings?
- Do you seriously consider advice of CEO?
- Do recommendations come to you after internal participatory governance review?
- Do all trustees engage in discussion & debate?



Board Decisions (2)

- Are all trustee points of view respected?
- Are people with different points of view respected?
- How is a split vote different from a split Board?
- Can trustees respect minority opinion while supporting the majority decision?
- How can trustees build a climate of civility & trust?

What Makes a High-Performing Board?

To achieve high performance, Trustees need to work as a team with the CEO. Critical to being a team is retaining a climate of <u>trust and respect</u> between the Board and the CEO!

Board-CEO Relationships

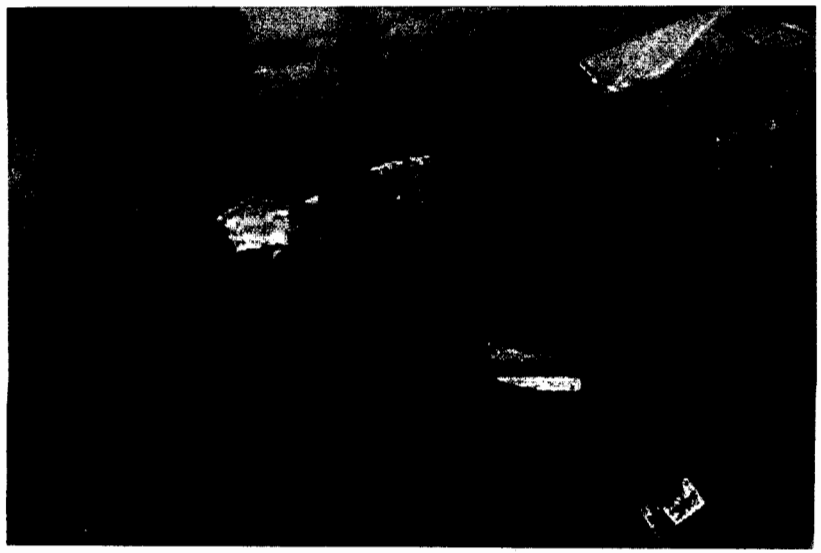
- Employment
- Clear expectations
- Support
- Development
- Communications
- Delegation (IV C 12)
- Meeting preparation
- Goal setting
- Evaluation (IV C 3)
- Employment contract

Board Chair's Responsibilities

- Manage meeting using the agenda unless changes are approved by Board
- Require colleagues, staff, & public to follow Board ground rules for meetings (i.e. Robert's Rules of Order)
- Direct all Board comments & questions to be properly recognized by chair and directed to the CEO or chair
- Mentor trustees to follow District policies

Dealing with the Media

- Who speaks for the District?
- Who speaks for the Board?
- When is “no comment” a good response?



Governance versus Management

- What is the difference between governance and management?
- How can a Board avoid micromanagement?

Resources for Trustees (1)

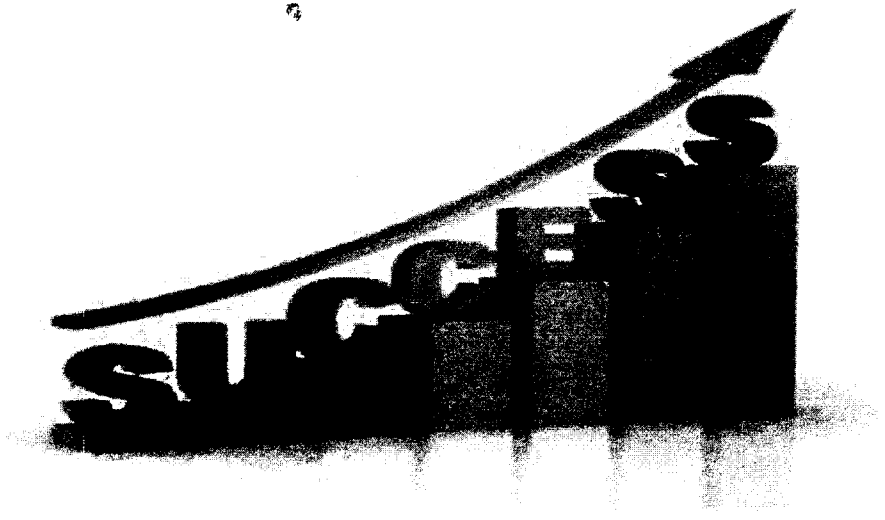
- AACC: **http://www.aacc.nche.edu**
- CCLC: **www.ccleague.org**
- ACCT: **www.acct.org**
- Accreditation Commission: **www.accjc.org**
- Chancellor's Office: **www.cccco.edu**
- AGB: **www.agb.org**
- Complete College America: **www.completecollege.org**

Resources for Trustees (2)

- Campaign for College Opportunity: **www.collegecampaign.org**
- Inside Higher Education: **https://www.insidehighered.com**
- Institute for Higher Education Leadership & Policy:**http://www.csus.edu/ihelp/**

Comments & Next Steps

- What was most significant for you about today's workshop?
- What would you like to learn more about?
- What formats are best for continued trustee & CEO development?



Thank You

- Contact information
  - George R. Boggs
  - **gboggs@palomar.edu**
  - 760.846.4454