The institution effectively uses its human, physical, technology, and financial resources to achieve its broad educational purposes, including stated student learning outcomes, and to improve institutional effectiveness.

IIID. Financial Resources

Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resource planning is integrated with institutional planning at both college and district/system levels in multi-college systems.

IIID1. The institution’s mission and goals are the foundation for financial planning.

Descriptive Summary

The September 2014-2015 board approved budget’s unrestricted expenditures were at $21,580,155 and the restricted fund budget was at $7,308,619 while enterprise and special funds were budgeted at $6,021,923 contributing to a total budget of $34,910,697. [3D.7]

Some additional budget augmentations during the year that support educational improvements included SSSP from $506,046 to $1,067,406, and DSP&S from $275,829 to $298,254. An additional program funded categorically through the state directly related to student success was an allocation of $200,000 for student equity. [3D.22]

The college’s mission, vision, and values are the starting point for integrated planning at Taft College. These statements provide the philosophical underpinning for the development of a long-range Educational Master Plan. The Educational Master Plan reflects the data within its internal and external environmental scans and follows the Western Association of Schools and Colleges Commission’s standards. The Educational Master Plan’s ultimate purpose is to improve student learning and successes, is also the foundation for other long-range master plans, including the College’s Facilities Master Plan and Technology Master Plan, and is the central reference point for the Strategic Action Plan program plans and reviews, student learning outcomes, and resource allocation. All College planning efforts are informed by, and link back to, the College Educational Master Plan. (See below) [3D.15; 3D.26; 3D.1; 3D.28; 3D.50; 3D.48]
All College planning efforts are informed by, and link back to, the College Educational Master Plan.
The college’s current Strategic Action Plan created in alignment with the Educational Master Plan identifies goals for the college through 2018 and the objectives to reach those goals. [3D.48; 3D.26]

Each program bases its requests for staffing and budgetary resources on its plans and student learning outcomes, developed within the context of the college’s Educational Master Plan and Strategic Action Plan. In turn the individual programs provide ideas and suggestions for the larger college plans in an ongoing cycle. All annual program plans, which are compiled in one document, are reviewed and updated each academic year. The integrated planning process is interactive, from the College as a whole, to specific programs, back to the College as a whole. [3D.8; 3D.44]

Self-Evaluation
The West Kern Community College District (District) meets this standard. The District ensures its mission and goals are used as the basis and foundation for financial planning and are integrated with and support all institutional planning. The Board of Trustees receives annual financial updates, which inform its oversight of the college’s financial management.

Actionable Improvement Plan
None

IIID1a. Financial planning is integrated with and supports all institutional planning.

Descriptive Summary
The Taft College Strategic Action Plan 2011-2016 Strategic Focus Area/Goal Three states, “Taft College will ensure institutional effectiveness by measuring and documenting all aspects of institutional performance against its mission, goals, and Strategic Action Plan.” A cornerstone of the District’s institutional planning is Program Review, which is a self-study conducted annually by every program and department, both instructional and non-instructional, to assess program effectiveness and resource requirements. Each program must address how its functions align with the mission and goals of the District, and evaluate outcome measures to assess their relevancy and effectiveness. The electronically submitted Program Goal Forms provide the mechanism for departments to link learning outcomes from Program Review to resource requests. Resource requests include faculty, classified and management positions, facilities, and equipment requests. Each resource request is linked to one or more of the district’s seven strategic goal areas. Program goals are submitted to the Strategic Action Planning Committee no later than the end of March, at which time program goals within those plans requiring resources are prioritized by Division Chairs and Vice Presidents. The program goals are split into three streams, (1) faculty personnel requests going to prioritization vote in Academic Senate for recommendation to the Superintendent/President, (2) classified personnel requests going to classified bargaining unit, and (3) non-personnel requests going to the Strategic Planning Committee for organization and corrections. The Strategic Planning Committee forwards the perfected requests to the Governance Council, who do the final prioritizing before sending them to the Budget Committee. The Budget Committee then receives the non-personnel program goals and aligns each with its potential funding sources. The prioritized requests, cost data and potential funding sources are then forwarded to the Superintendent/President and the Board for consideration in making funding and implementation decisions. An example of this process, in which program review and program goals resulted in the procurement of general funds through the planning process, is the creation of a Science Laboratory Technician position. An ongoing program goal form was submitted in spring of 2014, and the previously grant funded Science Laboratory Technician became a general fund position July 1, 2014. [3D.48; 3D.44; 3D.24] (see diagram on next page)

Each year, the district develops budget assumptions based on what is known about external and internal factors affecting revenues and
expenditures, utilizing state budget news and apportionment estimates. External factors include changes in Full Time Equivalent Student (FTES) funding caps, health benefit changes, required pension contributions, other state funding, etc. Internal factors include collective bargaining agreements, staffing changes, approved recommendations from Program Reviews, etc., which are then integrated into the budget and published in the tentative and adopted budget documents.

Connecting Program Review to Planning and Budget

Program Reviews and Action Plans generated through Program Review process

Strategic Planning Committee
- Collates program reviews, publishes on website
- Compiles Action Plans and sends to appropriate recommending body

Academic Senate
- Faculty Position Requests
- Ranks and Recommends to President

Classified Union
- Classified Position Requests
- Ranks and Recommends to President
- Non-personnel items
- Ranks and recommends to President

Governance Council
- Ranks and recommends to President

Budget Committee
- Identifies possible funding sources
- Reports funding outcomes from prior recommendations

Superintendent/President

Board of Trustees
Self-Evaluation
The District meets this standard. The Program Review Process that leads to prioritized requests for resource allocation is comprehensive and inclusive. The Governance Council measures these prioritized requests against the District’s mission and goals to ensure that financial planning is integrated with institutional planning. The Board of Trustees receives budget updates monthly as part of financial reports as well as quarterly 311Q reports. [3D.53; 3D.44]

Actionable Improvement Plans
None

IIID1b. Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

Descriptive Summary
Institutional planning at the District emphasizes the realistic assessment of availability of financial resources and of expenditure requirements. A core component is the projected number of funded full-time equivalent students (FTES) and Chancellor’s Office allocation models for Unrestricted General Funds. Additionally, expenditures over time, other local revenues, grants and their long term availability, partnerships with industry and the Taft College Foundation, and economic environmental changes are all reviewed for current amounts and changes over time to assess their potential impact on institutional planning. The tentative and adopted revenue budget is established using a conservative state budget revenue estimate for the District. The District develops its budget based on the various expenditure requirements established by the California Community Colleges Chancellor’s Office, categorical program monitors and other regulations, such as the 50 Percent Law and the Full-Time Faculty Obligation Number (FON). [3D.29; 3D.30]

Self-Evaluation
The District meets the standard. The District’s planning is realistic and conservative in its assessments of financial resources. The District is active in developing appropriate resources through growth, community education and grants. The District has historically taken a conservative approach when developing revenue and expenditure projections with respect to the budget, an approach that has provided financial protection during challenging economic times.

Actionable Improvement Plans
None

IIID1c. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies, plans, and allocates resources for payment of liabilities and future obligations.

Descriptive Summary
The level of the college’s financial resources and the District’s prudent and conservative financial practices provide a reasonable expectation of both short-term and long-term financial solvency. The California Community College Chancellor’s Office has identified a desired reserve in the general fund of at least 5%. The Taft College Board of Trustees has adopted a reserve policy to maintain total general fund reserves at a minimum of 12%. For 2013-2014 academic year the District’s general fund balance meets both state and local board policy minimum targets with a total general fund reserve balance of 17.4%. [3D.3]

Resolution 2008-2009-14 authorized the creation of the Retirement Board of Authority (RBOA) and the Futuris Public Investment Trust to manage actuarially determined funds set aside for Other Post-Employment Retirement Benefits (OPEB). The District determines the amount of annual contributions, and the Retirement Board of
Authority delivers said contributions along with allocation instructions to the Benefit Trust Company (BTC) in a timely manner in accordance with Trust provisions and applicable state or federal regulations. [3D.31; 3D.58]

Periodic meetings of the RBOA are held for the purpose of reviewing investment performance and compliance with Investment Policy Statement guidelines, as well as engaging in annual review and analysis of any applicable modifications to the Investment Policy Statement through meetings and discussions with the Investment Manager and Trustee, as applicable. [3D.46; 3D.47]

**Self-Evaluation**
The District meets the standard. The District adheres to a conservative approach when establishing budgets through practices including formula-driven allocations, planning for debt obligations and a reserve policy greater than the California Community College Chancellor’s Office desired reserve level. This conservative approach has allowed the District to remain fiscally stable in spite of uncertainties associated with state funding levels from year to year.

**Actionable Improvement Plans**
None

*IIID1d. The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.*

**Descriptive Summary**
The District has a prescribed budget development process, utilizing a calendar-based timeline that shows the various steps involved in the annual budgeting and planning process. The institution as a whole participates in the budgeting and planning process through program review and shared governance. Meetings of the Budget Committee, Board of Trustees and public hearing all work to ensure transparency in this process. A calendar overview of this process is as follows: [3D.23; 3D.24; 3D.13]

- **November**  Budget calendar is submitted to Board of Trustees as an information item.
- **November**  Governance Council reviews proposed annual budget calendar.
- **January**  Governor of California releases proposed Budget for FY 2015-16.
- **January**  Superintendent/President evaluates position request based on recommendations.
- **January**  Fall semester apportionment Attendance Report submitted with census information. Use results for enrollment planning.
- **February**  Governance Council, Academic Senate and Classified unit rank resource requests from program reviews.
- **February**  Budget assumptions made and preliminary revenue allocations established and presented to Governance Council.
- **February**  Preliminary budget allocations submitted to Vice Presidents. All labor assumptions are finalized for next fiscal year.
- **February**  Budget account managers work with faculty and staff to identify budget needs and priorities based on program review and resource allocation ranking process.
- **February**  Budget Committee identifies possible funding sources for resource allocation.
- **February**  HR distributes step and column changes for all employees to budget account managers as necessary.
<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>Budget augmentation requests, reductions and adjustments are due to Vice Presidents from budget account managers.</td>
</tr>
<tr>
<td>March</td>
<td>Vice Presidents submit budget augmentation requests, reductions and adjustments to President.</td>
</tr>
<tr>
<td>April</td>
<td>Spring semester Apportionment Attendance Report (Second period Apportionment Attendance Report CCCFS-320) submitted with census information. Use results for enrollment planning.</td>
</tr>
<tr>
<td>May</td>
<td>HR provides statutory costs and Health costs to budget account managers</td>
</tr>
<tr>
<td>May</td>
<td>Governor releases the May revise. Budget assumptions and preliminary revenue allocations revised as necessary and communicated to Governance Council.</td>
</tr>
<tr>
<td>May</td>
<td>Budget assumptions and preliminary revenue allocations revised as necessary, per the May 15 revised state budget, and communicated to Governance Council.</td>
</tr>
<tr>
<td>May</td>
<td>Superintendent/President reviews resource requests and included funded requests for tentative budget.</td>
</tr>
<tr>
<td>June</td>
<td>Tentative Budget presented to WKCCD Board of Trustees.</td>
</tr>
<tr>
<td>June</td>
<td>Chancellor’s Office releases Second Principal Apportionment. Budget assumptions and preliminary revenue allocations revised as necessary.</td>
</tr>
<tr>
<td>August</td>
<td>Review what resource requests were funded the previous year</td>
</tr>
<tr>
<td>September</td>
<td>Public Hearing/Adoption of Final Budget.</td>
</tr>
<tr>
<td>September</td>
<td>Governance Council reviews Final Budget.</td>
</tr>
</tbody>
</table>

**Self-Evaluation**

The District meets this standard. The District has established and followed its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.

**Actionable Improvement Plans**

None

**IIID2.** To assure the financial integrity of the institution and responsible use of its financial resources, the internal control structure has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.

**IIID2a.** Financial documents, including the budget and independent audit, have a high degree of credibility and accuracy, and reflect appropriate allocation and use of financial resources to support student learning programs and services.

**Descriptive Summary**

Each year the Superintendent/President presents to the Board a budget prepared in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. In preparation of budget development, reporting and accountability alignment is in place for our annual budget process to support the District’s Master and Educational Plans. Furthermore, the established budget preparation process is approved by the District’s Governing Board and is followed and monitored throughout the year to monitor actual expenditures. An annual budget preparation calendar is followed, which includes tentative and final budget deadlines. To insure the highest level of credibility and accuracy, board approval is required for changes between major expenditure classifications. Transfers from the reserve for contingencies to any expenditure classification must be approved by a two-thirds vote of the
members of the board. Transfers between expenditure classifications must be approved by a majority vote of the members of the board.

Student Support learning programs and Services build budgets based on conservative estimated projections. Budget adjustments are made as allocations are posted by the Chancellor’s office. Specific programs submit timely state reports with local match requirements. The annual audit includes review of individual programs as required. [3D.3; 3D.7; 3D.22]

On an annual basis a submission of all financial documents are reviewed for audit by an external, independent accounting firm. The audit report, along with any findings, is presented to the Board at a public meeting. The district records the recommended audit adjustments by its external auditors as part of the annual reconciliation process. [3D.3; 3D.10; 3D.11; 3D.12; 3D.14; 3D.16; 3D.17; 3D.18; 3D.23]

Self-Evaluation
The District meets the standard. Positive improvements made since the prior accreditation process have been completed to establish a higher degree of credibility and accuracy to support student learning programs and services. For example, District budget managers continuously make necessary budget transfers and adjustments throughout the fiscal year to ensure expenditures are accurate.

Actionable Improvement Plans
The District posts planning, budget and audit reports on the IAR&P website for ease and access to all stakeholders

IIIID2b. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.

Descriptive Summary
The District receives communications from its external auditors regarding any audit findings prior to the issuance of the Financial Statements and the independent auditor’s report each fiscal year. This allows for the District to respond and develop a corrective action plan prior to the completion of the auditor’s field work. The District’s corrective plan of action, which includes a timeline of implementation, is included in the auditor’s report. The independent auditor reviews and assesses the prior year audit findings for confirmation of implementation of the corrective action plan(s) by the District. The District communicates the responses to any audit finding by including a response in the annual audit, which is made public when posted to the Taft College website. A hard copy of the annual audit is also available in the Taft College Library as well as upon request from the Director of Fiscal Services. [3D.3; 3D.16]

Self-Evaluation
The District meets this standard. All audit findings received from the external auditors are addressed in a comprehensive, timely manner and communicated appropriately. [3D3; 3D.45]

Actionable Improvement Plans
None

IIIID2c. Appropriate financial information is provided throughout the institution in a timely manner.

Descriptive Summary
The District provides financial information with a variety of methods. The Board of Trustees receives the tentative budget by June, and adopts the final budget by September. The Board approves any subsequent revisions to the budget as information is made available by the Chancellor’s Office. The Board of Trustees is presented with comprehensive District budget to actuals
information periodically throughout the year by the Superintendent/President, Executive Vice President of Administrative Services/CFO or the Director of Fiscal Services.

District budget managers receive an expenditure report on a monthly basis. The report provides the year-to-date expenditures for each budget as well as percentage of expended amount against the budgeted amount (actual vs. budget). The report is run for each department from the Cognos writing tool. In addition, Cognos allows for various reports to be run by the IT Department upon requests from departments, such as audit data for the Business Office. Budget managers and their designees also have the ability to run reports on an as-needed basis. [3D.2]

Self-Evaluation
The District meets this standard. Financial information is provided throughout the District with a variety of methods. Timely reporting provides opportunities for analysis and action if necessary. Current financial information pertaining to specific departments is available online via BANNER/ERP at all times by budget managers or designee.

Actionable Improvement Plans
The District will continue to look to find ways to improve its openness and transparency with regard to all its financial data and will continue to provide good services to budget managers and staff with the college community.

IIID2d. All financial resources, including short and long term debt instruments (such as bonds and Certificates of Participation), auxiliary activities, fund-raising efforts, and grants, are used with integrity in a manner consistent with the intended purpose of the funding source.

Descriptive Summary
The Superintendent/President is responsible for ensuring the funds of the District that are not required for the immediate needs of the District are invested. Investments shall be in accordance with law, including California Government Code Sections 53600, et seq. The District currently holds one Certificate of Participation (COP) with a total value of $27,445,000. All payments have been made timely. The COP supported long-term capital improvements for the District. The District also uses Tax Revenue Anticipation Notes (TRANS) to meet its short term borrowing needs to maintain solvency from July to December for apportionment dollars from property taxes. [3D.3; 3D.25]

The Taft College Foundation is a 501(c) (3) non-profit organization that works closely with the District to support the mission and provides the community with the opportunity to invest in the development of quality educational opportunities. As a private, non-profit corporation, a board of directors governs the Foundation. The Foundation is the primary fundraising entity for the District, and all District fundraising is coordinated through the foundation. The District provides reports to the Foundation to confirm appropriate use of funds. The Foundation’s annual audit is performed independently along with the District and has verified the appropriate use of funds. [3D.3]

The District has been successful in securing grant funds in recent years. To ensure grants align with the District’s strategic goals and objectives, staff wishing to submit a grant application must first present an internal overview for review to the District Governance Council for approval. Once approved, all grants are administered through the Grants Office to ensure the grant funds are applied in a manner consistent with the grant application. The District’s annual independent audit includes an audit of all grant revenues and restricted funds. [3D.3; 3D.33]
Self-Evaluation
The District meets the standard. The District has received opinions in the annual audit reports that include all Foundation accounts and grant funds. The external audit report includes revenues from all sources. The Taft College Foundation financial information is also presented in the external audit report.

Actionable Improvement Plans
None

IIID2e. The institution’s internal control systems are evaluated and assessed for validity and effectiveness, and the results of this assessment are used for improvement.

Descriptive Summary
The Business Office provides guidance and oversight of the district’s internal controls system. Board policies 6200, 6250, 6300 and administrative procedures 6200 and 6250 have been established to ensure effective and efficient operations, reliability of financial reporting, and compliance with applicable laws and regulations. Managers are responsible for appropriate controls that apply to transactions in their areas of responsibility. Departmental controls provide for the segregation of duties, establish records retention protocols, supervision of operations, physical safeguards, and appropriate security clearances. Internal control activities are evaluated and modified on an ongoing basis. [3D.3; 3D.16; 3D.17; 3D.18; 3D.10; 3D.11]

Self-Evaluation
The District meets this standard. Internal controls have been implemented and are evaluated periodically. Both the validity and effectiveness of control activities are assessed and the results of the assessment are utilized to drive process improvements that are then implemented. The 2012-2013 Audit resulted in an unqualified opinion. [3D.20]

Actionable Improvement Plans

IIID3. The institution has policies and procedures to ensure sound financial practices and financial stability.

IIID3a. The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and develops contingency plans to meet financial emergencies and unforeseen occurrences.

Descriptive Summary
The preparation of the budget is based on the Governor’s revenue projections and forecasted operational expenses. Property taxes are the primary revenue source for the District. While property taxes are paid twice a year in December and April, expenses and payroll must be paid throughout the year. Tax and Revenue Anticipation Notes (TRANs) have been utilized by the District over the past few years to meet these needs.

The WKCCD continues to maintain its historically conservative fiscal policy by maintaining a healthy general unrestricted reserve. The fund balance for year 2013-2014 is $3,747,456 or 17.4%. This number meets and exceeds state requirements and ensures that expenditures and expenses are funded in a timely manner while maintaining a positive view among vendors and the community regarding the campus’s fiscal stability. [3D.3]

Self-Evaluation
The District meets this standard. Taft College’s Board and Superintendent/President have worked diligently to accumulate a reserve fund balance as a financial buffer during economically stressful times. The Governance Council and Board of Trustees use risk management techniques to not only assess and predict possible consequences, but also to design and implement contingencies in response to them to help ensure institutional viability during turbulent times.
**Actionable Improvement Plans**
None

**III.D3b. The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.**

**Descriptive Summary**
At Taft College, each local department is given administrative oversight. Upper level management provides accountability for each program, lender, financial agency, and stakeholder group.

The Financial Aid department receives oversight from its Director, who receives direction from the Vice President of Student Services. The department consists of Technicians who manage files and review them for eligibility. Banner’s Financial Aid Module is used to administer and reconcile financial aid provided to students each year. The Office Manager disburses funds, while the Director draws funds down from the U.S Department of Education. The monies are then deposited with the cashier’s office and reconciled with the Business Office. Yearly internal audits ensure the processes are effective, while annual program reviews evaluate progress.

Externally funded programs receive oversight from the individual departments under those programs. Westec and TIL are examples of externally funded programs, and they are ultimately responsible for their finances. Contracts are created with these programs that are the driving force behind their operations with Taft College. For example, TIL receives funds from various regional centers that act as the vendors. The funds are received via direct deposit to a pass-through bank account. The bank account is reconciled monthly by the Business Services Department. The funds are booked to the appropriate fund via electronic funds transfer to the County. At the end of the fiscal year, the TIL staff, with support from Business Services, oversees the reconciling of accounts received throughout the year. [3D.7; 3D.37]

The Taft College Foundation has a check request policy that requires a series of signatures from the Executive Director, the College Superintendent/President with approval from Foundation Board Executive Committee and Foundation. [3D.54]

Assessment of financial resources has oversight from the Taft College Foundation Finance and Investment Committee comprised of Foundation Board members and UBS financial advisors. The Foundation Board meets at minimum on a quarterly basis. Financial statements are prepared by the Business Services department and presented to the Board by the Executive Vice President of Administrative Services or designee. Financial advisors also present the financial records of the investment accounts during the board meetings. Recommendations and concerns are discussed and reviewed.

With the passing of the Measure ‘A’ bond, a Citizen’s Oversight Committee was established in accordance with applicable laws and regulations. Committee members are selected by the Board of Directors as an independent oversight committee with the purpose to inform and advise the public and District concerning the expenditure of Bond revenues pursuant to the Bond Measure. The committee meets on a quarterly basis, at minimum. In accordance, an annual report is presented to the Board as well as an annual audit. [3D.36; 3D.55]

**Self-Evaluation**
The District meets this standard. External audits provide assurance of compliance regarding oversight of finances. Banner provides fiscal controls and multiple accountability reports.

**Actionable Improvement Plans**
None
IIID3c. The institution plans for and allocates appropriate resources for the payment of liabilities and future obligations, including Other Post-Employment Benefits (OPEB), compensated absences, and other employee obligations.

Descriptive Summary
The District sets aside funds as required for the repayment of the TRAN. Payments are captured in two equal installments. The District sets aside the first installment in January and the second installment in April by having the funds transferred to an impound fund. [3E.56]

The District’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the payments of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed 30 years. For fiscal year 2012-2013, the District contributed $1,580,128 to the Plan, of which $881,774 was used for current premiums. Currently, plan members are not required to make contributions.

Compensated absences such as accumulated unpaid vacation benefits are accrued as a liability as the benefits are earned. The amounts are recorded in the fund from which the employees, who have the accumulated leave, are paid.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District’s financial statements. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time. [3D.57]

Self-Evaluation
The District meets this standard. The District plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The District has elected to fund the OPEB liability from the general fund with the pay-as-you-go method. This method provides assurance of meeting the GASB 45 requirements.

Actionable Improvement Plans
None

IIID3d. The actuarial plan to determine Other Post-Employment Benefits (OPEB) is prepared, as required by appropriate accounting standards.

Descriptive Summary
Every two years the District contracts with an actuarial firm to analyze liabilities for retiree benefits. The study provides the financial analysis necessary to allow the District to manage the costs and future liabilities associated with its retiree benefits and to comply with the GASB 43 and 45 related to OPEB. The District provides postemployment healthcare benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District. The District Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. For fiscal year 2012-2013, membership of the Plan consisted of 71 retirees. The funding policy for the OPEB obligation is established by the District and District’s bargaining units. The required contribution is based on the projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. [3D.51]
Self-Evaluation

Taft College meets this standard. A study is conducted every two years to reassess its OPEB liabilities and is presented to the Retirement Board of Authority (RBOA) to provide the necessary oversight and to ensure current and future OPEB obligations are met by the District.

Actionable Improvement Plans

None

IlId3e. On an annual basis, the institution assesses and allocates resources for the repayment of any locally incurred debt instruments that can affect the financial condition of the institution.

Descriptive Summary

In March of 2004, the District’s voters approved Measure A, a $39.8 million GO Bond. Proceeds from the sale of bonds were to be used to acquire, construct and modernize District facilities. GO Bonds are loans taken out by public agencies and repaid from an ad valorem (according to value) tax on property throughout the agency’s boundaries. Under Proposition 39, there are tax rate limitations and bond oversight requirements imposed on districts. For community colleges, bonds can only be issued if projected tax rates will not exceed $25 per $100,000 of assessed value. All bonds from Measure A were issued by the District between 2004 and 2007 using a combination of “current interest” and “capital appreciation” bonds to maintain tax rates of $23 per $100,000 of assessed value as promised to the voters. The District issued the bonds for the $39.8 million authorization in 3 series – Series 2004A, Series 2006B and Series 2007C. Additionally, in 2005, the District refinanced the outstanding Series 2004A bonds and obtained approximately $2 million in additional proceeds. [3D.4]

The District has one outstanding COP issued in 2008. The District began making interest payments on this COP in November 2011, with a subsequent interest payment in May 2012 totaling approximately $1.5 million for the 2011-2012 fiscal year. The District made its first principal payment in November 2012, which when combined with interest due, totaled $1.5 million. An additional $750,000 paid in May 2013, totaled $2.2 million for the fiscal year 2012.2013. Detailed information can be found in the District audited financial statements.

The District receives a majority of its apportionment funding from property tax revenues with cash funding received primarily in December and April of each year. The District receives Tax Revenue Anticipation Notes (TRANs) to smooth cash flow deficiencies that result from uneven patterns of revenue and level expenditure disbursements. [3D.56]

The debt servicing schedules and obligations are known and incorporated in the annual budget development of the District. The District’s fiscally-conservative annual and long-range financial planning has consistently resulted in the District meeting repayment of debt instruments obligations.

Self-Evaluation

The District meets this standard. The District properly assesses and allocates resources for the repayment of locally incurred debt.

Actionable Improvement Plans

None

IlId3f. Institutions monitor and manage student loan default rates, revenue streams, and assets to ensure compliance with federal requirements.

Descriptive Summary

Taft College does not participate in any kind of student loan program.
IIID3g. Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution.

Descriptive Summary
The Board of Trustees maintains the Board Policies and Procedures of the institution. The Board delegates to the Superintendent/President the authority to enter into contracts on behalf of the District and to establish administrative procedures for contract awards and management. Contracts are not enforceable obligations until they are ratified by the Board and are regulated by sections of the Education Code and the Public Contracts Code. The Superintendent/President and the Board of Trustees are intensely involved in creating the mission, vision, and goal statements for the college and are cognizant of them when making their decisions to contract with outside entities. [3D.49; 3D.19; 3D.15]

Self-Evaluation
The District meets the standard. The District’s process for the review of contractual agreements provides assurance that contracts are lawful. The extensive review process required prior to contract execution ensures that contractual agreements support the mission and goals of the District. All fully-executed contracts are kept on file in the Administrative Services Office and in electronic format. Contracts are reviewed monthly to maintain effectiveness.

Actionable Improvement Plans
None

IIID3h. The institution regularly evaluates its financial management practices and results of the evaluation are used to improve internal control structures.

Descriptive Summary
The Business Office provides guidance and oversight of the District’s internal controls system. For example, authorization for ERP/BANNER access must be sent from a Department Director to the Information Technology Department. The Director of Fiscal Services is included in discussions regarding access to ERP/BANNER. Access to financial reports are limited to budget managers and their designees per the suggestion of the Director of Fiscal Services. Board policies and administrative procedures have been established to ensure the effective and efficient operations, reliability of financial reporting, and compliance with applicable laws and regulations. Managers are responsible for implementing appropriate controls that apply to transactions in their areas of responsibility. Departmental controls provide for the segregation of duties, establish records retention protocols, supervision of operations, physical safeguards, and appropriate security clearances. Internal control activities are evaluated and modified on an ongoing basis.

Self-Evaluation
The District meets this standard. With the three-year Program Review and through annual audits from external auditors, the District maintains an ongoing process of review, assessment, evaluation, and revision to its financial management practices. Internal controls have been implemented and are evaluated periodically. Both the validity and effectiveness of control activities are assessed and the results of the assessment are utilized to drive process improvements that are then implemented.

Actionable Improvement Plans
None

IIID4. Financial resource planning is integrated with institutional planning. The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement of the institution.
Descriptive Summary
The institution ensures the financial decisions are developed from program review results, institutional needs, and plans for improvement by using a Program Review system which includes a section for Program Goals. These goals are written by the program leads in conjunction with the members of that unit. Requests for new staff are separated from requests for funds. All of those Program Goals are ranked first by the program level, then by the appropriate Vice President, and finally by the entire Governance Council. Once the rankings have been completed, those are forwarded to the Budget Sub-committee, which has the charge of identifying potential funding sources for each of the requests. That information is then sent to the Superintendent/President. Once the institution determines how much money they will receive in any given year, those requests for new funding are granted depending on availability of funds. The District continues to refine its process after feedback each year, updating and defining metrics for the Governance Council ranking process. Timelines have been adjusted based upon previous challenges to properly access program goals. Each year programs utilize program review to independently review success and outcomes. The Taft College year-by-year integrated planning timeline is shown on the following page. [3d.41; 3d.42; 3d.44]

Self-Evaluation
The District meets this standard.

Actionable Improvement Plans
None
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