

**COMMUNITY COLLEGE TRUSTEES:
RESPONSIBILITIES, COMPENSATION
AND TRANSPARENCY**



GRAND JURY 2013-2014

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Budget reductions to community colleges, over the last several years, have led to major cuts in classes, services, and essential programs. In one case, college students resorted to holding “Hot Dog Sales” to reopen previously closed summer session classes. In this period of severe budget cuts, the public, faculty and students have had a renewed interest in the spending priorities of the trustees. Unfortunately, there have been numerous problems regarding the spending priorities of elected college trustees in Orange County. How are precious tax dollars being spent?..... 3

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SUMMARY

Budget reductions to community colleges, over the last several years, have led to major cuts in classes, services, and essential programs. In one case, college students resorted to holding “Hot Dog Sales” to reopen previously closed summer session classes. In this period of severe budget cuts, the public, faculty and students have had a renewed interest in the spending priorities of the trustees. Unfortunately, there have been numerous problems regarding the spending priorities of elected college trustees in Orange County. How *are* precious tax dollars being spent?

The California Community College System is the largest organization of higher education in the world, serving more than 2.4 million students. There are 112 individual *colleges* in the state, divided into 72 college *districts*. Orange County is the home to *nine* colleges formed into *four* individual college districts. Each district is governed by a locally elected Board of Trustees (five or seven members) who appoints a CEO usually identified as a “Chancellor.” An individual college is administered by a “College President” who reports directly to (and is evaluated by) the chancellor. While the chancellor and presidents are responsible for the day-to-day operations of the district, the Board of Trustees has the ultimate responsibility for the success of the district. The board meets once or twice a month to set policy, set goals, approve expenditures and oversee the chancellor. Community college trustees are *entrusted* with making sure that the district operates effectively and fulfills the needs of the community.

The combined budgets of the four districts in Orange County contribute nearly one billion dollars annually into the local economy. Together, they are the fourth largest employer in the county with more than 8,500 employees and more than 300,000 students. This core of trustees possesses great power and authority. Yet, with all this power and authority, only a handful of people in Orange County are able to identify their own district trustees. With large budgets and little oversight, there is temptation for inappropriate spending priorities by some trustees.

The issue that overlays this report concerns accessibility and transparency of trustee budget decisions. What are trustee spending patterns and “self-determined” compensation benefits? Community colleges are public agencies supported by limited tax dollars and the community has a right to know how public officials fulfill their responsibilities. The 2013-2014 Orange County Grand Jury found that there are significant extremes in trustee spending priorities. Some trustees are well compensated and rewarded for, basically, a part time job. Trustee travel expenses have increased at the same time that faculty and students have faced cuts. Of greatest concern to the Grand Jury, is the difficulty in finding relevant information about trustee spending priorities. Trustee spending and benefits, which are legally public records, are difficult to access or are not available. This Grand Jury study identified a lack of transparency and excessive spending. The study further identifies ways for trustees to regain the public’s trust.

REASON FOR THE STUDY

It is a foremost “Too Big To Fail” enterprise with more than 3,000,000 stock holders - all of whom live in Orange County! It’s the fourth largest employer in the county with more than 8,500 employees and a combined budget approaching one billion dollars. It’s a business with a return on investment of 14% according to a 2012 Orange County Business Council (OCBC) study (Appendix E). There isn’t a county in the United States that wouldn’t be thrilled to be the home for any one of the Orange County community colleges districts. Who runs this business? Twenty six individuals on boards of trustees, many of whom are unknown to the public, but are entrusted with operating some of the most valuable assets in the county.

Orange County’s largest employer, Disneyland, may have 50,000 people attend the park in a single day. California State University, Fullerton has less than 40,000 students and the University of California, Irvine has approximately 30,000 students. By comparison, more than 300,000 students attend community colleges in Orange County. Additionally, over 41,000 students are taking career/technical college courses to prepare for the county’s workforce needs as nurses, firefighters, police officers and emergency medical technicians.

Community colleges are a positive economic force in Orange County. However, the 2013-2014 Orange County Grand Jury was troubled by varied news articles. Headlines seemed to focus on trustee spending and priorities that ironically accompanied major cutbacks to student programs. A sample of recent news article headlines included:

- Community Colleges Spend Millions on Duplicative Administrators
- Two in Three Community College Students in O.C. Don’t Finish
- Community College Boards: Part Time Jobs, Full-Time Perks
- Community College Trustee Finds Pension Loophole
- Three O.C. Colleges Warned About ‘Deficiencies’
- College District Trustees Blasted in Survey
- More Shenanigans at the College District Board
- College District Plans Key Hire as Faculty Protests
- Trustees Vote to Stop Violating the Brown Act
- College Officials Failed to Report Gifts
- College Board Nearly Doubles its Pay
- College Official Steals Student Aid

The Orange County Grand Jury is authorized to investigate community colleges to determine whether more efficient and economical methods may be employed in financial operations. In this study, the Grand Jury inspects and audits books, records and financial expenditures to ensure that public funds are properly spent.

This study focuses on the responsibilities, compensation and spending priorities of members of the Boards of Trustees for three Orange County Community College Districts. The Rancho

Santiago Community College District (RSCCD) in Santa Ana was not part of this report. The districts under review were:

1. North Orange County Community College District (NOCCCD) Office in Anaheim
2. South Orange County Community College District (SOCCCD) Office in Mission Viejo
3. Coast Community College District (CCCD) Office in Costa Mesa

The issues that overlay this study concern the *accessibility* and *transparency* of information about trustee compensation and spending. Community colleges are public agencies supported by limited tax dollars. The community has a right to know how trustees fulfill their responsibilities and how tax dollars are being spent.

BACKGROUND AND FACTS

The news took everyone by surprise. Compton Community College lost its accreditation in 2005 after trusted officials had redirected millions of dollars into their own pocketbooks. Thousands of students discovered that their education was side-tracked and the community lost its only college. Across California, as with the City of Bell scandal, communities asked, “Could this happen to *our* college district?” What led to this enormous breach of trust? Why didn’t the community have the necessary information to save their college?

Community Colleges in California

The California Community Colleges System (CCCS) is composed of 112 community colleges formed into 72 independent districts. It is the largest system of higher education in the world, serving more than 2.4 million students who are seeking educational, vocational and career goals. Orange County is the home to four college districts with a total of nine individual college campuses. Each district is governed by a locally elected Board of Trustees (BOT) that appoints a Chief Executive Officer (CEO) normally identified as a “Chancellor.” In multiple college districts, as in Orange County, an individual college is administered by a “College President” who reports directly to (and is evaluated by) the chancellor. While the chancellor and staff are responsible for the day to day operations of the district, the Board of Trustees has the ultimate responsibility for the district’s success. The board meets once or twice a month to set policy goals, approve expenditures and oversee the chancellor.

Community colleges are a step in a system of higher education that leads to a convenient transfer to four year colleges and universities within California and across the nation. Equally important are the career and vocational programs. The large numbers of full time students, part time students, employees and private contractors also impact a county’s economic growth.

Since the 1970’s, control over a district’s revenue has been determined by the State; districts do not set student tuition rates. Income levels to districts are established by the legislature using a

complex formula based essentially on Proposition 98. Prop 98 was enacted in 1988 and sets a minimum annual funding level for K-12 schools and community colleges.

Since 1988, students are allowed to attend any community college in the state, making district boundaries irrelevant. In fact, voters may end up taxing themselves for additional campus facilities that are enjoyed by students from another community. State data indicates that a quarter of all students attend college outside their home district and more than 100,000 students attend classes in multiple districts at the same time.

Recent budget cuts at the *four year colleges* have pushed many of their students out and into the limited classes at the community colleges. Similar budget cuts to community colleges over the last several years have reduced services, programs and (at the expense of the college mission) the dreaded reduction in the number of classes. Community colleges have been hit at the same time with the double whammy of *increased* enrollment but *reduced* revenue.

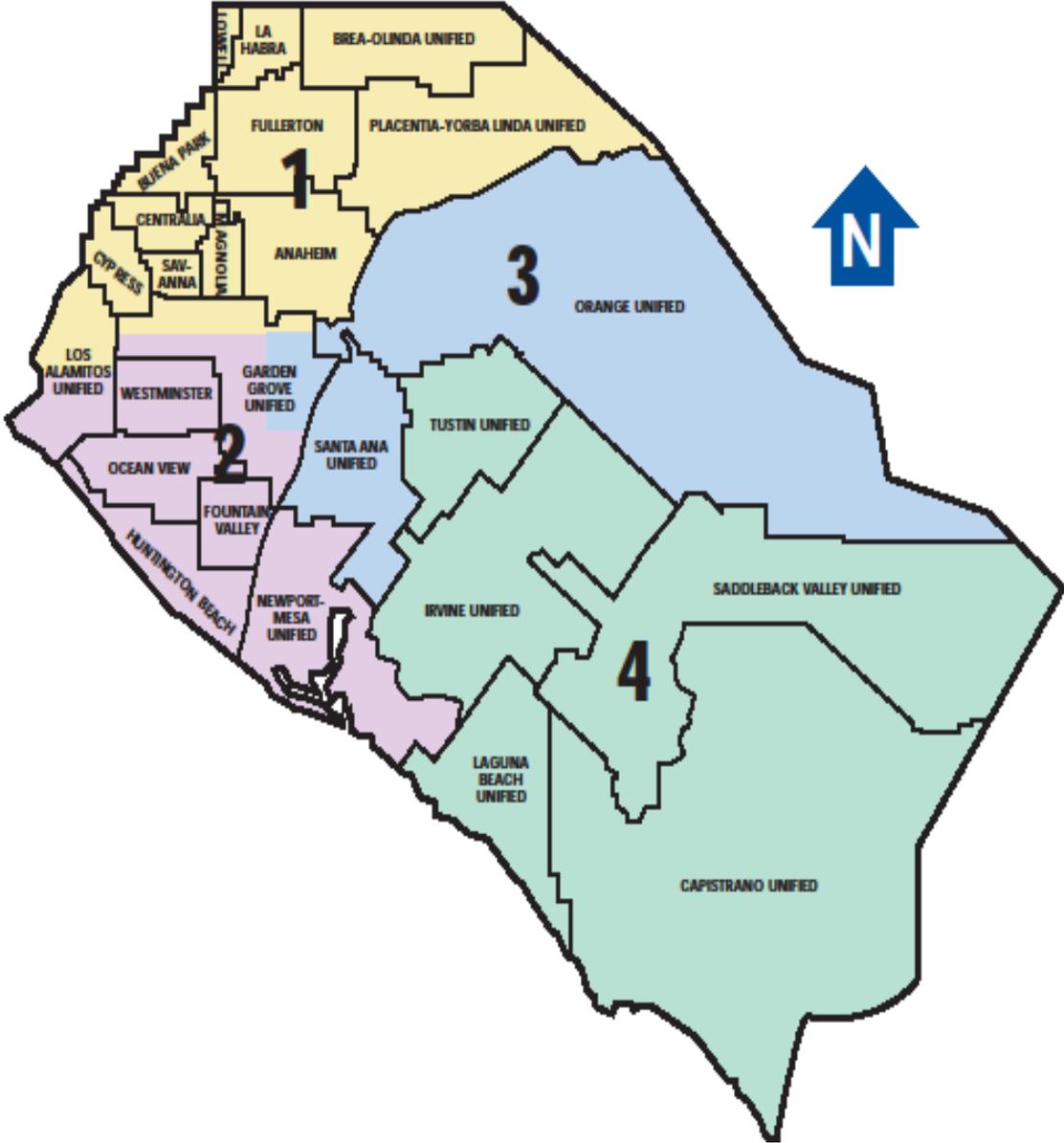
Community College Districts in Orange County

The North Orange County Community College District (NOCCCD) is composed of two colleges and numerous off campus sites. Cypress College enrolls approximately 16,000 students while Fullerton College enrolls about 21,000. The 2012-2013 district operating budget was nearly 190 million dollars. The district is managed by a chancellor appointed by seven elected board members.

South Orange County Community College District (SOCCCD) is composed of Saddleback College in Mission Viejo, Irvine Valley College in Irvine, and the Advanced Technology & Education Park in Tustin. The district serves over 42,000 students each semester and employs about 3,000 faculty and staff. The District is governed by a seven-member elected Board of Trustees and the district's chief executive officer is the Chancellor. The estimated annual budgets are estimated at 225 million dollars.

The Coast Community College District (CCCD) includes Coastline Community College, Golden West College and Orange Coast College. The three colleges enroll more than 35,000 students each year in more than 300 degree and certificate programs. The District is managed by an appointed chancellor and *five* elected board members. Each year, the estimated annual budgets are 180 million dollars.

Fig. 1: Map - Community College Districts in Orange County



- 1. North Orange County Community College District
- 2. Coast Community College District
- 3. Rancho Santiago Community College District
- 4. South Orange County Community College District

Table 1: North, South and Coast College Trustees and Chancellors (as of May 1, 2014)

North Orange County CCD: Cypress College, Fullerton College

Jeffrey P. Brown, President
M. Tony Ontiveros, Vice President
Michael Matsuda, Secretary
Barbara Dunsheath, Trustee
Leonard Lahtinen, Trustee
Molly McClanahan, Trustee
Donna Miller, Trustee
Ned Doffoney , Chancellor

South Orange County CCD: Irvine Valley College, Saddleback College

T. J. Prendergast III, President
Nancy M. Padberg, Vice President
Marcia Milchiker, Clerk
William O. Jay, Trustee
David B. Lang, Trustee
Timothy Jemal, Trustee
James R. Wright, Trustee
Gary Poertner, Chancellor

Coast CCD: Coastline College, Golden West College, Orange Coast College

Mary L. Hornbuckle, President
David Grant, Vice President
Lorraine Prinsky, Clerk of the Board
Jerry Patterson, Trustee
Jim Moreno, Trustee
Andrew C. Jones, Chancellor

The Trusteeship

I, (State Your Name), do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and *faithfully discharge the duties upon which I am about to enter*. (emphasis added)

- Trustee Oath of Office (Article XX, Section 3, California State Constitution)

What does it mean to be a “trustee?” A trustee (or the holding of a trusteeship) is a legal term which generally refers to any person who holds property, authority or responsibility for the benefit of another. The more common usage refers to a person who serves on a board of trustees for an (educational) institution that operates for the benefit of the general public. Trustees are frequently professionally educated, but are not on the board to practice their profession, indulge in personal benefit or represent an outside interest. Trustees are often selected to represent a geographical area of the community as in the case of some city councils. Trustees are bound by law to act in the best interest of the *college district*. There are examples in which a board of trustees may actually act in opposition to the local city government, neighborhood associations or community groups.

Trustees are responsible for ensuring that the public’s money is spent responsibly. Boards fulfill this responsibility by establishing, as policy, their parameters or boundaries on the use of public funds, and by reviewing annual audits conducted by outside firms. Trustees have authority only when they are meeting as a board. The board, as a whole, is the legal governing unit and individual trustees have no authority to direct any college staff or make personal statements representing the board. No single trustee, even an officer (i.e. President of the Board), has more authority than another trustee.

Trustees directly hire only one person, a chancellor, to manage the district for the benefit of the district, *not for the benefit of the board*. This can be an awkward situation; nevertheless, a chancellor is hired to successfully manage the district, and not to serve the needs of the board. The chancellor hires staff members who have the expertise to implement board policy and fulfill the purposes of the institution. The system works best when trustees focus on setting policies and goals. This allows the chancellor to manage the day to day operations of the district.

Successful governance requires a positive Board/Chancellor relationship. The chancellor is the primary agent of the board and is the single most influential person in creating outstanding colleges. The most important decision the board makes is hiring the right chancellor for the district, one who reflects and is committed to the district’s goals and values. The relationship is

collegial and professional. However, trustees and the chancellor should never support each other over the interest of the district.

Board policies contain the standards for ethical, legal and prudent operations in the district. These policies guide the decisions of administrators, faculty and non-teaching staff as they design and implement the programs, services and practices that achieve the goals of the district. Administrative regulations, written by staff, define *how* policy operations and management are applied on a day-to-day basis.

California State Education Code Section 70902 authorizes and defines local boards. Boards and trustees are also subject to provisions of the Open Meetings Act (Brown Act), Fair Political Practices Acts, and laws pertaining to conflict of interest. In addition, the California Community College Board of Governors has established regulations and policies, (contained in Title 5 of the California Administrative Code) that implement legislation and further delimit the authority of local governing boards.

Trustees are entrusted with the success of community colleges, institutions that fulfill an essential public good. Being a trustee for an educational institution is not the same as being a member of a legislative body. Legislators (as in the California State Assembly or US House of Representatives) represent a distinct geographical area. In certain cases, the interest of their constituents is *at the expense* of another legislator's constituents.

Trustees do not compete with each other for votes, since they are often elected by areas within the district. However, once elected, the trustees *share* the exact same constituents. It is an unusual governance structure in which a trustee is elected by a segment of the district but eventually represents all the residents of the district. A trustee's primary responsibility is to protect and promote the entire community college district.

The Trustee Office is Non-Partisan

Trustee Boards in California are officially *nonpartisan* offices. In partisan elections, candidates run as members of a political party or as independents. Each political party selects its nominees to eventually become a candidate in a general election. Candidate identification in partisan elections provides the voter with an easy way to select candidates that are aligned with a political party.

In partisan elections, the candidates may be more involved in fundraising, which might attract contributions from outside the district. The danger is that large sums of money might be used to influence voters without respect for local issues unique to that college district. Although elections may be "officially nonpartisan," in some elections (usually involving large cities or counties), the party affiliations of candidates are generally known, and the public relies on this information to select particular candidates. Political parties, by their nature, stand for certain issues and articulate "planks" to define their positions. Locally, both major parties officially fund and support *only* school/college board candidates who are party members.

In nonpartisan elections, the candidates' party affiliation is not listed on the ballot, and the political parties generally don't provide campaign resources for a candidate. This election format is designed to remove politics from local elections. Nonpartisan elections are generally held for municipal and county offices, especially school boards, and are also common in the election of judges. Those that support nonpartisan elections suggest that the issues that divide national political parties are irrelevant to local school/college elections. This concept is supported by the saying that "There's not a Republican or Democratic way to fill a pot-hole." A "non-partisan" board of trustees is by design intended to be the ideal structure for operating a K-12 or college district. A trustee is free to act: (a) in the best interest of the college district, and (b) *without the dictates of a state or national political party.*

Trustee Responsibilities, Governance and Guidelines

Trustees are regulated by an array of laws, codes, suggested guidelines and ethical practices. This information is readily available from government agencies, professional associations, and relevant internet sites. Often, the Chancellor of the district is expected to offer training and education to trustees on issues affecting the district. In addition, trustees are expected, as a primary responsibility, to be familiar with these requirements.

The California Community Colleges Board of Governors (BOG)

The BOG sets policy and provides guidance for the 72 districts and 112 colleges that constitute the system. The 17-member board is *appointed by the governor* and formally interacts with state and federal officials and other organizations. The board selects a chancellor to bring recommendations to the board on State policy decisions.

The BOG is designed to strengthen a system of communications and policy development to ensure the quality and effectiveness of community college operations and programs throughout the state of California. The line of authority of the BOG over individual college districts is defined as "providing leadership and direction." Specifically, the BOG has the greatest influence in setting minimum standards and evaluating the fiscal health of districts. The BOG works with, and is itself directed by, the state legislature, the ultimate authority over all public education in the State. College trustees are mindful of the oversight of the BOG and are careful to follow their recommendations.

Community College League of California

The Community College League of California is a nonprofit public benefit organization. Membership (with voluntary fees) consists of the 72 local community college districts in California. Within the League are two major sub-organizations which share a common mission, staff and fiscal resources: the California Community College Trustees (CCCT) and the Chief Executive Officers of California Community Colleges (CEOCCC.) These boards of the League meet approximately six times a year. The League and its boards seek to propose, organize and disseminate educational issues that are significant to successful community college programs. Although the League is a significant leader in college issues, the organization is a voluntary membership association and has no direct authority over college districts.

Accreditation Commissions

In the United States, accreditation is the primary process for a college to be certified. The process is based on a “peer review” in which professional educators evaluate a college using ideal “ACCJC Standards.” Failure to adequately meet the Standards can result in a “loss of accreditation” and a subsequent closing of the college. The organization that accredits the colleges in California is the Accrediting Commission of Community and Junior Colleges (ACCJC). This organization has published Standards as a guide for colleges to obtain accreditation. One section of these standards applies directly to trustees. (Appendix A)

The commission stresses certain themes required for trustees. The college and/or the district must have student success as a primary goal. Missions, strategic plans, budgets, spending priorities, and practices must support the good of the institution. To meet this standard, the college must demonstrate honesty, integrity and agree to comply with ACCJC Standards and *policies for public disclosure*.

The Accreditation Commission has the authority to decertify a college. The consequence of a college becoming unaccredited is essentially a death sentence. Besides losing all state and federal funding, a student’s diploma becomes virtually worthless. At the time of this report, the City College of San Francisco has been told that its accreditation will be withdrawn in July, 2014. The California Community Colleges System plans to appeal the decision, but regaining accreditation will be a significant challenge.

Trustee Stipend, Compensation and Benefits

Trustees receive compensation in a variety of ways. The California State Education Code (72024) sets the monthly stipend for attendance at “all meetings” based upon the number of full time students in the prior school year. Since the districts in Orange County have between 25,000 and 60,000 students, this stipend ranges from \$700 to \$1000 a month. Each board has, however, written policies that will pay the stipend even if the trustee is absent due to a “hardship deemed acceptable” by fellow board members. Although this is the most visible and widely discussed “compensation,” it does *not represent the bulk of the financial benefits* from public funding to trustees.

Healthcare benefits for trustees, who work part time (estimated at less than 10 hours a week), are a significant benefit to the trustee, but costly for the district. District board policies allude to the health care benefits, but the dollar amount is not specified. Although the monthly stipend is set by the Education Code, the health benefit package to trustees and their families *is set by the trustees themselves*.

Travel benefits and reimbursement for trustees varies widely between districts and between trustees in the same district. Thousands of dollars are allotted by boards for travel, and again, the amounts are set by the trustees themselves. Other benefits may include dental coverage, mileage reimbursement, free entertainment/galas, computers and retirement plans.

Trustee Transparency and Ethics

The Ralph M. Brown Act

The Brown Act (Appendix B) notes that the “Public commissions, boards, councils and other bodies of local government agencies only exist to conduct ‘the people’s business.’ The people do not yield their sovereignty to the bodies that serve them. The people covet remaining informed in order to retain control over the governmental bodies they have created.”

The public retains certain rights in order to stay informed. The public may comment on agenda items before or during consideration by a legislative body. The public may obtain a copy of any recording made by the legislative body of its public sessions. All votes, except for those cast in permissible *closed session*, must be cast in public. No secret ballots, whether preliminary or final, are permitted. Later, the board must publically report on final action taken in a closed session. If final action is taken, with respect to contracts, settlement agreements and other specified records, the public may receive copies of such records upon request. Materials provided to a *majority of a board* which are not exempt from disclosure under the Public Records Act must be provided, upon request, to members of the public.

Overwhelmingly, the majority of board decisions must be made public. However, there are certain specific Brown Acts Exceptions that are intended to protect individual privacy and to allow for the orderly operation of the college district. The restrictions are few and well defined according to the State Attorney General’s Office. Although the Brown Act provides minor exceptions, the intent of the law is to ensure an open and transparent government.

California’s Political Reform Acts (CPRA)

The California Legislature stated that access to information concerning the conduct of the public’s business is a fundamental and necessary right for every person in the State. Cases interpreting the CPRA also have emphasized that its primary purpose is to give the public an opportunity to monitor the functioning of their government.

The fundamental precept of the CPRA is that governmental records shall be disclosed to the public unless there is a specific reason not to do so. The public may inspect or obtain a copy of identifiable public records. When a record contains exempt material, it does not necessarily mean that the entire record may be withheld from disclosure.

There are two recurring interests that justify most of the *exemptions* from disclosure. First, several CPRA exemptions are based on a public official’s right to privacy (e.g., privacy in personnel, medical or similar records.) Second, a number of disclosure exemptions are based on the government’s need to perform its assigned functions in a reasonably efficient manner (e.g., maintaining confidentiality of investigative records, records related to pending litigation, and preliminary notes or memoranda.)

The fact that information is in a personnel file does not necessarily make it exempt information. Information such as an individual’s qualifications, training, or employment background, is

generally *not* exempt. The Grand Jury found that the, *the gross salary and benefits of state and local officials are often found in various public records.*

In order to withhold a record, a district must demonstrate that the public's interest in nondisclosure clearly outweighs the public's interest in disclosure. *A particular agency's interest in nondisclosure is of little consequence in performing this balancing test; it is the public's interest, not the agency's that is weighed.*

California's Fair Political Practices Commission (FPPC)

CPRA formed the Fair Political Practices Commission (FPPC) to help regulate campaign reforms. A candidate or officeholder who has a campaign committee, or who has raised or spent or will raise or spend \$1,000 or more during a calendar year, is required to periodically file a FPPC Form 460 with the local jurisdiction. The Form 460 is also required if \$1,000 or more will be raised or spent during the calendar year at the behest of the officeholder or candidate. The form is divided into sections that account for monetary contributions, gifts, campaign expenditures and loans, etc. Copies of these forms are available for public review at the Orange County Registrar of Voters Office for districts and county elections. (Appendix E)

The FPPC, additionally, depends upon the public to be watchful citizens of politics and government. Enforcement, that may include penalties, begins with a complaint to the FPPC. Any member of the public may file a complaint with the FPPC. According to the FPPC website, "If you have any questions regarding the information required by the complaint form, do not hesitate to call and speak with a Political Reform Consultant in the Commission's Enforcement Division 916-322-5660 and press 1 or toll free at 866-ASK-FPPC and press 1. Often, discussing your complaint with a consultant will expedite its processing and resolution."

Assembly Bill 1234 (AB 1234)

"Sunlight is the best disinfectant."

— William O. Douglas

Sunshine laws are designed, as in the above quote, to require openness in government and make official actions *clean*. This transparency is generally credited with reducing bribery, government corruption and conflicts of interest. An open and transparent government is often described as necessary to maintaining a democracy. This principle has led to the passage of freedom of information legislation and the movement for government accountability. California Assembly Bill 1234 (AB 1234) is designed to give the public confidence in the actions of public officials.

AB 1234 requires that if a local agency provides any type of compensation, salary or stipend that reimburses the expenses of a member of its legislative body, then that local agency's officials must receive "training in ethics." The law is aimed at legislative bodies such as cities, counties and special districts. Although community college trustees are not *required*, by this law, to complete the training, the nature and responsibility of a trusteeship makes the training valuable.

Basically, a public official should not participate in a decision (including trying to influence a decision) if the official has financial or, in some cases, other strong personal interests in that decision. A public official's decision should be based solely on what best serves the public's interests. The law is aimed at the perception, as well as the reality, that a public official's personal interests may influence a decision. Having a conflict of interest does not imply that a public official has done anything illegal, it is designed to *reveal a potential vested interest* in a decision.

Laws are designed to set minimum standards, while ethical standards are the public's higher expectation. The Institute for Local Government has outlined several areas of ethical expectations. Basically, trustees must be individually mindful of decisions related to:

1. Personal Financial Gain – income, personal value, future employment, future lobbying
2. Perks – gifts, speaking fees, reimbursements, political acts, gifts of public funds
3. Transparency – economic interests, campaign donations, Brown Act, Public Records Act
4. Merit-Based Decisions – loans, vote trading, conflicting loyalties

The California State Controller web site provides the latest facts and figures on the State's fiscal condition, including detailed monthly cash reports, charts, tables, and news announcements that help make financial information more transparent and understandable.

The Controller's Office maintains another website (Appendix E) known as the "Government Compensation in California (GCC) Website. The site contains salary and compensation information for public entities in California, including 58 counties, over 450 cities, more than 2900 special districts and more than 90 institutions of higher learning. This is the site to locate information on salary and compensation for employees of community colleges.

To further this transparency effort, the Controller has additionally asked top public employees to go beyond the minimum requirements of State disclosure laws and post annual personal Statements of Economic Interests on the Controller's Web site. This form is commonly called "Form 700." More information on State economic disclosure and conflict of interest rules, are available on the web site of the California Fair Political Practices Commission in Appendix E.

METHOD OF STUDY

The 2013-2014 Orange County Grand Jury directed this study to include all current and recently retired Orange County community college trustees. Additional financial information was gathered concerning the current and former Chancellors of each of the districts. The Rancho Santiago Community College District was not an active part of this study. The study does not include compensation benefits paid to trustees during retirement or projected pension plans. A majority of the research focused on the 2012-2013 fiscal year, however, additional data was

reviewed for consideration as far back as January 2000. Each college district has one or two “Student Trustees” who were not included in this study. The method of study included the following process. The Grand Jury:

A. Reviewed

1. Previous Orange County Grand Jury reports on compensation studies.
2. Studies focused on school and college districts.
3. Community College Board Policies, By-laws and Administrative Regulations.
4. Registrar of Voters campaign contributions reports. (Form 460)
5. Community college candidates campaign materials.
6. The Chancellor’s employment contracts.
7. Media reports and news articles on the topic.

B. Interviewed

1. Community college faculty, staff, and administrators.
2. Former community college administrators and trustees.
3. Candidates for positions of community college trustees.
4. Professional educators and scholars.

C. Studied

1. Official Responses to selected Grand Jury reports.
2. State of California official reports and studies.
3. State of California legal opinions, appropriate laws and regulations.
4. Community college websites.
5. Trustee spending on travel and reimbursements.

D. Surveyed

1. Community college administrators.
2. Current community college trustees.
3. California community college websites outside Orange County.

E. Researched

1. Community college district compliance with the California Brown Act.
2. Community college district compliance with the California Public Records Act.
3. Best practices and model procedures for Board policies and governance.
4. District budgets, trends, and projections.

F. Attended/Visited

1. Meetings of the community college trustees and/or reviewed video recordings.
2. Community college district offices.

ANALYSIS

The community college districts in Orange County are a major economic, social and political force. Twenty six trustees, serving four year staggered terms, represent the interests of hundreds of thousands of students *and* the three million residents of Orange County. Analysis indicates that the public doesn't understand how this one billion dollar industry operates and trustees are not well known by their own constituents. Elementary and high school board meetings are frequently well attended by students, parents and community members. Community college board meetings, however, often have a very small audience. College districts are funded almost entirely by property taxes, yet, the public is unaware of their district's trustees and are unaware of district spending priorities. Together, this circumstance has the potential for inappropriate spending decisions.

The Grand Jury concluded that being a trustee requires fewer hours than a conventional part-time job. Part-time employment in schools and college districts for non-faculty positions is usually defined as 15 to 20 hours per week. Trustees themselves estimated that they work 10 or fewer hour per week on college business. The Orientation Guide for New Trustees that is published by the Community College League of California estimates that trustees spend between two and 10 hours per week on trustee duties. The Grand Jury did not include undocumented "trustee hours" spent at home reading about college business. The Grand Jury's conclusions are that the actual work hours are few and the responsibilities are tremendous. But for a part time job, the financial remuneration is quite substantial.

Trustee Responsibilities

Trustees have the distinction above legislators, representatives, councilors or other public officials, to act in the best interest of the district. The oath of office includes terms such as: support, defend, faith and allegiance. The trusteeship has a high level of public expectation for, obviously, *trust*. The office is also, by design, intended to be non-partisan. Contrary to the best interests of the college district, trustees have expressed support and have been actively supported by political parties. Political parties, by their need for wide appeal, cannot reflect the diverse needs of individual college communities. There is an apparent use of the community college trustee office as a "stepping stone" for candidates with a declared interest in a higher political office. Although not illegal, trustees have not been forthcoming in sharing that their interest in being a trustee is only as a way station for another office. Several trustees have pursued another office to the dismay of faculty leaders. On a recent occasion a trustee was simultaneously campaigning for the position of trustee while campaigning for the State Senate.

Trustees are required by law to act in the best interest of the community college district. Partisan politics requires loyalty to a political party that might be directed by leaders on the state or national level. The conflict arises when a political party focuses on a national issue that may have little or nothing to do with the education of a local community. There have been reports of political party pressure to select certain members to the position of Board President in other

districts. Unfortunately, party politics *is* influential in some college district matters. On the plus side, the three college districts under this study did not report any Brown Act violations.

The Grand Jury reviewed California Campaign Forms 460 filed by trustees with the Orange County Registrar of Voters. Form 460 is used to report campaign income, expenditures and other financial accounting. This information was cross referenced with individuals and companies that have contracts with the college district. As noted before, trustees must vote to approve all expenditures. Did trustees vote to expend college district funds to campaign contributors? *The answer is yes and more than once.*

Faculty and employee unions along with individual employees contributed campaign donations to trustees in all three districts. Other labor unions were also supporting trustees to various degrees. Political parties and their Political Action Committees (PAC) contributed large amounts but not evenly among trustees. The Grand Jury was concerned by contributions from individuals and firms that had medium size contracts for service with the district. It appears that district lobbyists, attorneys and other consultants have made major contributions to one or more trustees in districts. More than one trustee has had a “conflict of interest” by approving district contracts with a business owned by contributors.

Campaign budgets have soared in recent years. Trustees regularly spend tens of thousands of dollars to get re-elected. In one case, a trustee *started* the campaign with a \$200,000 budget. Form 460 serves the best interest of the public by revealing the source of trustee campaign donations.

New Trustees are informed by workshops, publications and fellow long-term trustees to “support each other.” The pressure to be part of “the team” misdirects trustees away from their primary objective to act in the best interests of the district. The United States Military Academy has set an ideal ethical standard. The Cadet Honor Code (CHC) is at the center of forming leaders with character. The CHC states "A Cadet will not lie, cheat, steal or tolerate those who do." Those last few words indicate that one is not just responsible for one’s own behavior, but that the organization’s integrity is dependent on everyone living up to the highest standard. Trustees are managing the asset on behalf of the community. Also, a trustee is one of several other trustees on the same board for a college district. Therefore, it is also a trustee’s responsibility to ensure that fellow trustees are also acting in the best interest of the district.

The Grand Jury found repeated instances in which trustees contributed money to each other’s campaigns. During the same period, trustees approved travel expenses for each other. Also, according to campaign and district records, trustees have approved district contracts to campaign donors.

Trustee Compensation

Trustees are entitled, by law, to a reasonable compensation for services to the district. However, the public has a vested interest to know the level of that compensation. This is at the heart of

transparency in government. Trustee compensation and benefits are a topic of conflicted reasoning. The common answer to why trustees seek office is to serve the public. No mention is made of the stipend, generous health insurance premiums, travel reimbursements, perks and other benefits. However, when these benefits are questioned or become the source of public astonishment, the answer is always the same. Trustees need to be well compensated in order to attract highly qualified candidates. However, this information on *how well* trustees are compensated is not readily available to the public.

The district's public affairs department also defends the generous compensation of stipend, health benefits and travel expenses. Spokespersons contend that these benefits are necessary to "attract good candidates to run for the office of college trustee." Contrary to this statement was the overwhelming response in the trustee survey. Not one trustee mentioned an interest in running was for the "generous compensation or health benefits." Trustees reported in the Grand Jury Survey that their reasons in running for the board of trustee were to:

1. Promote the goals and interest of the college
2. Serve the community and taxpayers
3. Use their knowledge and experience
4. Respond to friends when asked to run

The trustee stipend (approximately \$700 to \$1000 month) is the most quoted "compensation" for the position of trustee. This amount is for attending one or two meetings of the board that may last only a few hours each. But this is the proverbial tip of the iceberg. What is generally not known are the other areas of compensation. (Table 2) A trustee may have a district paid health, dental, life and pension plan that amounts to thousands of dollars per year. This amount varies by district and some trustees (to their credit) have waived this benefit. In the Coast district, for example, this amount exceeds \$15,000 per trustee per year. Insurance premiums are expensive, and if extended to a trustee's spouse and family, this can cost the district thousands of additional dollars.

Table 2: Compensation Available to College Trustees

- Stipends
- Health Plans
- Dental Plans
- Pension Plans
- Life Insurance
- Travel Expenses
- Personal Computers
- Mileage Reimbursement
- Home High Speed Internet
- Social Security/Medical

Office Space/Equipment
Free Tickets - Galas/Dinners
Other Perks and Benefits

Trustee travel expenditures are one area of the district budget in which individual trustees approve the most benefits for themselves. Each year, the Board sets aside an approved level of spending for itself for travel involving conferences, meetings and workshops. Popular destinations include places such as Washington DC, New York, Florida and Canada. The Grand Jury found an astounding range of expenditures from district to district and among trustees within the same district. Each district expended thousands of dollars by sending multiple trustees to the same conference. A more cost effective system is to send just one trustee as a representative.

Expenditures were justified by district personnel as insignificant when compared to the multimillion dollar district budget. This is *not* the prescribed reasoning by ethical standards, professional organizations or the accreditation commission. All expenditures must be justified by “what is the value to the district.” As a valuable tool for comparison, the Grand Jury determined that to add one more class of students to the college semester schedule would cost about \$3,000. Therefore, each time a trustee spends \$3,000 on a trip for airfare, resort hotel rooms, and in one case a \$200 dinner, 30 fewer students are denied a class. Thirty fewer students may not graduate on time.

The three tables below examine eight years of trustee travel expenses. The highest trustee column records the most expenditure for a single trustee. In several cases, it was the same trustee year after year.

Table 3: NOCCCD Trustee Travel Expenses

Trustee Travel Expenditures NOCCCD (rounded to hundreds)		
	Expenditure	Highest Trustee
2005-2006	\$8,100	\$1,900
2006-2007	\$4,700	\$1,200
2007-2008	\$6,200	\$4,000
2008-2009	\$6,700	\$2,200
2009-2010	\$9,700	\$3,800
2010-2011	\$9,800	\$3,600
2011-2012	\$8,400	\$3,400
2012-2013	\$12,700	\$6,500
Total	\$66,300	\$26,600

The North Orange County Community College District had an eight year total expenditure for travel of more than \$66,000. This amount was within the same range of two other college districts. Although there were major state-wide budget cutbacks to education since 2008, the NOCCCD trustee travel expenditures slightly increased during the same period. The \$12,700 spent in 2012-2013 was the largest amount since 2005. In two different years, one single trustee spent more than 50% of the total board budget for travel. Some individual trustee expenditures showed remarkable restraint. There were 16 instances in which trustees did not spend a single dollar of tax money on travel expenses. This

is a remarkable individual choice by trustees considering that this savings was then available to be used directly for the benefit of students.

Table 4: SOCCCD Trustee Travel Expenses

Trustee Travel Expenditures South Orange County CCD		
	Expenditure	Highest Trustee
2005-2006	\$18,000	\$11,500
2006-2007	\$9,600	\$7,100
2007-2008	\$19,700	\$15,100
2008-2009	\$13,300	\$10,900
2009-2010	\$4,200	\$3,300
2010-2011	\$4,400	\$1,900
2011-2012	\$4,000	\$3,900
2012-2013	\$4,100	\$1,500
Total	\$77,300	\$55,200

The South Orange County Community College District also exhibited interesting trends. Since the budget down turn of 2008, trustees radically trimmed their own travel budgets! As displayed on Table 4, the trustees, to their credit, slashed more than \$9,000 from their 2009-2010 travel spending and maintained around \$4,000 in spending for the following years. One sorry point occurred during the 2005-2008 years. One trustee charged travel expenses of more than \$44,000 over a four year period! The Grand Jury found that trustees often traveled to conferences in places that are near the homes of family members. Although it is not illegal to conjoin business with personal travel, the Grand Jury questions whether the same conference

experiences were available locally or within California. *Another SOCCCD trustee spent just \$95 over the same four year period.*

Table 5: Coast CCD Trustee Travel Expenses

Trustee Travel Expenditures Coast CCD		
	Expenditure	Highest Trustee
2005-2006	\$15,200	\$7,500
2006-2007	\$17,900	\$6,600
2007-2008	\$38,400	\$19,800
2008-2009	\$20,100	\$10,700
2009-2010	\$14,600	\$4,000
2010-2011	\$16,400	\$6,200
2011-2012	\$19,800	\$7,300
2012-2013	\$17,900	\$10,100
Total	\$160,300	\$72,200

The Coast Community College district had the largest total trustee travel expenses over the eight year period. More than \$160,000 of tax dollars were charged to the district, with a single year high in 2007-2008 of \$38,400. The Grand Jury believes that this is excessive especially since the Coast District has only *five* trustees (the other three college districts have seven trustees each). Of particular concern to the Grand Jury is the inadequate level of documentation and record maintenance that was discovered in reviewing expense reports. Trustee requests for reimbursement were not regularly signed off by the Division Chair or Business Manager. Frequently, meal expenses exceeded daily

limits as defined by Board Policy. In four of the eight years, a single trustee spent approximately half of the entire Board budget for travel. In one case, a college “Foundation” was charged and

paid for a trustee *laundry bill*. Foundations collect money “to support students through scholarships, endowment and other financial programs to expand the capacity to meet the diverse needs of students and the community.” Foundations collect private donations to support students, not trustees. Foundations also paid for trustees to attend galas and award dinners.

The Grand Jury found information concerning all district spending priorities difficult to ascertain. Trustee travel expenditures is published and available, but it is buried in a large line item budget print out. Better access to trustee expenses is necessary.

Trustees have the sole discretion to fund themselves for benefits and reimbursements. The Grand Jury found that most trustees are not knowledgeable or even inquisitive about fellow trustee spending habits. Added to that is the propensity to keep specific information about trustee spending obscured to the public. Trustees who travel to distant out-of-state conferences and expensive conferences, while at the same time visiting relatives, should be readily transparent to the public. It’s not illegal, but the expense in lieu of cuts to student programs should be carefully evaluated as being more important than student programs. Arguments that trustees need to travel to distant conferences in Texas, Florida, and New York, should be weighed against equally valuable conferences in Anaheim, Long Beach or Los Angeles. Traveling 2,500 miles to Washington DC to meet with a Congressional representative must be weighed against taking a 20 minute car ride to the local congressional district office.

Trustee Transparency

“Every single political corruption case I’ve ever done has been fundamentally a problem of the public not knowing what’s going on and not being engaged. I think you need to have people looking over your shoulder ... to make sure those cliques don't develop . . . That's when you don't have that light shining that that happens.”

- Max Huntsman, Los Angeles County Inspector General

Nineteen individual surveys were sent to the North, South and Coast college district trustees. Fifteen were returned, while four trustees did not provide a response. One would think that elected trustees would be highly protective of personal information about themselves. Paradoxically, trustees freely divulge very personal information. District websites and campaign literature offer detailed information about trustees, however, most information is irrelevant to the responsibilities and duties of a trustee.

The district website contains personal information about friends, family, and religion. Little information is provided about *relevant trustee performance*. The following information is proudly shared on the district website:

1. Marital status and the name of spouse
2. Spouse occupation

3. Names, gender and ages of children
4. Religious affiliation and offices held
5. Military rank and veteran status
6. City of residence
7. Names of former and current employer
8. Degrees, schools and colleges attended
9. Membership in professional organizations
10. Membership in fraternal organizations
11. Names of friends and heroes
12. Association with other politicians
13. Awards and honors
14. Youth coaching experience
15. Foreign travel experience

One trustee *did* provide information about being an elected representative of a political party committee. This information *is* relevant to residents and voters of the district who are concerned about potential outside political influence.

College trustees in California are elected to four year terms. In essence, the voters are giving the trustee a four year contract after which the trustees will be “evaluated” and possibly reelected for another four year term. In order to make a meaningful vote, members of the community are entitled to know how the trustee has acted in office. This requires transparency.

In an article written for the Orange County Register on December 4, 2013, a compelling argument was made for transparency. The article stressed that:

Public financial information – revenue and expenditures – reflect priorities and values. Spending authority is a powerful tool to advance critical public goals in health, education, public safety and economic development. From the public’s perspective, the value of these services is determined by linking the cost of each service to its benefit.

There are two points here. First, a district, by definition, spends its money on what is valued. Trustee travel expenses to resorts, while cutting student classes, is an example of what is valued. Cutting trustee travel and using the unspent revenue to keep the college library open two extra hours is another example. The second point is equally important. Every tax dollar spent must be weighed against its benefit. Spending should not be justified on the basis that the cost is small when compared to the total district budget. The Grand Jury read several statements from college district officials that concluded, “Travel budgets [for trustees] “represent a very small portion of the total anyway.” What is important is how did the district benefit from a five day \$6,000 trip?

A democratic republic is often considered the best form of government if supported by the principle of “open government.” In public service, the pursuit of self-interest at the expense of

the public's interest is fundamentally unethical. Ethics is what one ought to do regardless if it is permissible or even legal. Ethics is a higher standard that elected officials, by the nature of serving the public trust, must strive to exceed. The community is entrusting trustees with its children's education and scarce tax dollars.

There is little evidence that trustees have received extensive training in ethics. There is some evidence that they are not familiar with their own ethics policies. Rather, statements made to the Grand Jury show conformity to the lowest standard – “it's OK, it's legal” or “We will follow the law.” Public officials need to aspire to the higher level of ethical behavior.

There is also a weakness in the system of checks and balances against abuses of power. Chancellors frequently do not question the self-spending expenses of trustees who hire, fire and evaluate those same chancellors. During the last eight years, a number of Orange County chancellors have been fired or “encouraged” to retire. Although the chancellor's contract is the single most important district document, public access to the document is difficult to obtain.

The fact that it's difficult to write enough laws to protect the public from all such abuses is exactly why it's so important for conscientious local officials not to treat compliance with the law as the end in itself. When an agency has a robust culture of ethics, members of the local agency team embrace the notion that the law creates *minimum* expectations — not the level to which should be aspired.

Each college district in Orange County has an “Ethics Policy.” However, once on a board, the organization's commitment to ethics needs to be part of each trustee's on-going orientation and evaluation. Selection as Board President should be based upon exemplifying the highest standards of being a trustee. The Grand Jury found that the position of Board President is sometimes used to reward political party membership and/or punish trustees who do not bend to the wishes of other trustees.

By establishing a broad, objective disqualification standard, the Fair Political Practices Commission attempts to cover both actual and apparent conflict-of-interest situations between a public official's private interests and his or her public duties. It is not necessary to show actual bias on the part of the official and it is not even necessary to show that an official's assets or the amount of his or her income will be affected by a decision in order to trigger disqualification.

The Grand Jury makes a distinction between “conflict of interest” and an “interest.” The Grand Jury believes that every trustee should reveal an “interest” in the decision of the Board as a matter of full disclosure. It would then be the decision of a board to decide if this interest has risen to the level of a conflict. As currently situated, only individual board members self-evaluate if a campaign contribution influenced their decision. Greater transparency is needed.

At this point it is important to define “conflict of interest.” According to the California Attorney General's Office Report:

A public official may not participate in a decision – including trying to influence a decision – if the official has financial or, in some cases, other strong personal interests in that decision. When an official has an interest in a contract, the official’s agency may be prevented from even making the contract. (Appendix C)

FINDINGS

In accordance with California Penal Code Sections 933 and 933.05, the 2013-2014 Grand Jury requires (or, as noted, requests) responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation of Community Colleges in Orange County, the 2013-2014 Orange County Grand Jury has arrived at nine principal findings, as follows:

F.1. District Trustees by their title, oath of office and non-partisan designation are responsible for a high standard of conduct, free from outside influence and charged with the duty to act in the best interest of the district.

F.2. The trustee office is, by design, a part time position and the overwhelming management and operation of the district, in consultation with employee senates, is delegated by the board to the chancellor.

F.3. Trustees govern under guidelines, restraints and recommendations provided by the California Legislature, State Chancellor’s Office, accreditation commissions and professional membership organizations.

F.4. Trustees are not well known within their own district, and govern in meetings that are often not well attended. This was based on surveys, interviews and site visits.

F.5. Trustees can have large campaign budgets and may have received contributions from individuals and firms that do business with the district.

F.6. There is a lack of ethics training received by trustees and there is minimal oversight over their actions and behaviors, particularly their spending habits for travel.

F.7. Trustees may receive generous benefits that are often approved by themselves. Examples:

- a. Paid health, dental and life insurance benefits for trustees and their families,
- b. Large travel and conference reimbursements,
- c. A variety of miscellaneous stipends, allowances, and expenses.

F.8. Trustees provide extensive personal information on the district website but little information about their *performance in office*.

F.9. Laws, regulations, guidelines and ethics require trustees to be fully transparent in all aspects of their actions, behavior, and performance. The actions of trustees should be readily available for public review.

F.10. District chancellors are some of the most highly paid public officials in Orange County, yet their salaries or contracts are not easily accessible to the public.

Penal Code §933 and §933.05 require governing bodies and elected officials to which a report is directed to respond to findings and recommendations. Responses are requested, from departments of local agencies and their non-elected department heads.

RECOMMENDATIONS

In accordance with California Penal Code Sections 933 and 933.05, the 2013-2014 Grand Jury requires (or, as noted, requests) responses from each agency affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation of Community Colleges in Orange County, the 2013-2014 Orange County Grand Jury makes the following eight recommendations:

R.1. The chancellor and trustees should complete an “Ethics Training” program similar to the requirements of California AB1234. A record of this should be maintained on the district website. **(F.1., F.2., F.3., F.5., F.6., F.7., F.8., F.9.)**

R.2. The chancellor and trustees should maintain a list (e.g. CA Form 460) of campaign contributions made to each member of the board during the previous four years. This list should be reported and updated on the district website in July and January of each year. **(F.1., F.5., F.6., F.8., F.9.)**

R.3. The chancellor and trustees should strongly consider advising the entire board of “potential” conflicts of interest on district contracts involving campaign donors from the previous four years. **(F.1., F.5., F.6., F.7., F.8., F.9.)**

R.4. The district board should develop a policy for the rotational selection of officers of the board. **(F.1., F.3., F.6., F.8., F.9.)**

R.5. The chancellor and trustees should report their total individual travel expenditures in a public meeting and on the district website. This should be reported four times each year. **(F.1., F.2., F.6., F.7., F.8., F.9.)**

R.6. Trustees should report, on the district website biography section, any official political party leadership positions. (F.1., F.3., F.4., F.5., F.6., F.8., F.9.)

R.7. The chancellor should report the value of all district compensation received by each trustee during the previous fiscal year. This should be reported at the first board meeting in September of each year and posted on the district website. (F.1., F.4., F.6., F.7., F.9.)

R.8. Strong consideration should be given to sending a copy of this 2013-2014 Orange County Grand Jury study and district responses to collaborating educational organizations. (F.1., F.2., F.3., F.4., F.5., F.6., F.7., F.8., F.9., F.10.)

- a) The appropriate accrediting commission agency,
- b) The California Community College Board of Governors and
- c) The California League of Community Colleges.

R.9. Strong consideration should be given to posting the chancellor's complete employment contract on the district's website to promote transparency. (F.10.)

REQUIRED RESPONSES

The California Penal Code §933 requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made no later than 90 days after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made within 60 days to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section §933.05 (a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

(a) As to each Grand Jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

(b) As to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

(c) If a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary /or personnel matters over which it has some decision making aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code section §933.05 are required from:

Response Required:

Chancellor/Board of Trustees, Coast Community College District:

F.3., F.6., F.8., F.9.

Chancellor/Board of Trustees, North Orange County Community College District:

F.3., F.6., F.8., F.9.

Chancellor/Board of Trustees, South Orange County Community College District:

F.3., F.6., F.8., F.9.

Response Required:

Chancellor/Board of Trustees, Coast Community College District:

R.1., R.2., R.3., R.5., R.6., R.7., R.8., R.9.

Chancellor/Board of Trustees, North Orange County Community College District:

R.1, R.2, R.3., R.5., R.7., R.8., R.9.

Chancellor/Board of Trustees, South Orange County Community College District:

R.1, R.2, R.3., R.4., R.5., R.6., R.7., R.8., R.9.

APPENDIX A: Excerpts From the ACCJC Standards for Community College Trustees

1. Faculty and administrators have a substantive and clearly defined role in institutional governance and exercise a substantial voice in institutional policies, planning, and budget that relate to their areas of responsibility and expertise. Students and staff also have established mechanisms or organizations for providing input into institutional decisions.
2. The institution advocates and demonstrates honesty and integrity in its relationships with external agencies. It agrees to comply with Accrediting Commission Standards, policies, and guidelines, and Commission requirements for public disclosure, self-evaluation and other reports, team visits, and prior approval of substantive changes.
3. The role of leadership and the institution's governance and decision-making structures and processes are regularly evaluated to assure their integrity and effectiveness. The institution widely communicates the results of these evaluations and uses them as the basis for improvement.
4. The institution has a governing board that is responsible for establishing policies to assure the quality, integrity, and effectiveness of the student learning programs and services and the financial stability of the institution.
5. The governing board is an independent policy-making body that reflects the public interest in board activities and decisions. Once the board reaches a decision, it acts as a whole. It advocates for and defends the institution and protects it from undue influence or pressure.
6. The governing board establishes policies consistent with the mission statement to ensure the quality, integrity, and improvement of student learning programs and services and the resources necessary to support them.
7. The governing board has ultimate responsibility for educational quality, legal matters, and financial integrity.
8. The governing board's self-evaluation processes for assessing board performance are clearly defined, implemented, and published in its policies or bylaws.
9. The governing board has a code of ethics that includes a clearly defined policy for dealing with behavior that violates its code.

APPENDIX B: Key Provisions of the Brown Act

Public commissions, boards, councils and other bodies of local government agencies exist to aid in the conduct of the people's business. The people do not yield their sovereignty to the bodies that serve them. The people insist on remaining informed to retain control over the legislative bodies they have created.

There are certain specific Brown Acts exclusions that are intended to protect individual privacy and to allow for the orderly operation of the college district. They restrictions are few and well defined. According to the State Attorney General's Office, these restrictions are:

The Board may conduct a closed session to discuss an appointment, employment, evaluation of performance, discipline or dismissal of an employee.

The Board may meet with law enforcement or security personnel concerning the security of public buildings and services.

The Board may meet in closed session to receive advice from its legal counsel concerning existing litigation, initiating litigation, or situations involving a significant exposure to litigation.

The Board may meet in closed session with its negotiator to consider labor negotiations with represented and unrepresented employees. Issues related to budgets and available funds may be considered in closed session, although final decisions concerning salaries of unrepresented employees must be made in public.

The Board may meet in closed session with its negotiator to consider price and terms of payment in connection with the purchase, sale, exchange or lease of real property.

APPENDIX C: Key Provisions of the Political Reform Act of 1974 (Summary)

Overview

The people of the State of California enacted the Political Reform Act of 1974 (“the Act”), by an initiative measure in June 1974. It is the starting point in any consideration of conflict-of-interest laws in California. Chapter 7 of the Act (§§ 87100-87500) deals exclusively with conflict-of-interest situations. The Act also limits the receipt of specified gifts and honoraria, which is addressed in Chapter II of this Guide.

One of the declarations at the outset of the Act forms the foundation of the conflict-of-interest provisions: “[p]ublic officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them.” (§ 81001, sub d. (b).) Further, the Act sets up a mechanism whereby “[a]ssets and income of public officials which may be materially affected by their official actions . . . [are] disclosed and in appropriate circumstances the officials . . . [are] disqualified from acting in order that conflicts of interest may be avoided.” (§ 81002, sub d. (c).)

The Fair Political Practices Commission (“FPPC”) is the agency primarily charged with the responsibility of advising officials, informing the public, and enforcing the Act.

The Basic Prohibition

Under the Act, public officials are disqualified from participating in government decisions in which they have a financial interest. The Act does not prevent officials from owning or acquiring financial interests that conflict with their official duties, nor does the mere possession of such interests require officials to resign from office.

The Act’s disqualification requirement hinges on the effect a decision will have on a public official’s financial interests. When a decision has the requisite effect, the official is disqualified from making, participating in making, or using his or her official position to influence the making of that decision at any stage of the decision-making process.

By establishing a broad, objective disqualification standard, the Act attempts to cover both actual and apparent conflict-of-interest situations between a public official’s private interests and his or her public duties. *It is not necessary to show actual bias on the part of the official and it is not even necessary to show that an official’s assets or the amount of his or her income will be affected by a decision in order to trigger disqualification.* (emphasis added)

APPENDIX D: OC College Trustees and Political Affiliation

DISTRICT	TRUSTEE	PARTY	TERM ENDS
NORTH ORANGE CCCD (1)	Barbara Dunsheath	(D)	2014
NORTH ORANGE CCCD (3)	Jeffrey P. Brown	(D)	2014
NORTH ORANGE CCCD (6)	Donna Miller	(D)	2014
NORTH ORANGE CCCD (2)	Leonard L. Lahtinen	(D)	2016
NORTH ORANGE CCCD (4)	Molly McClanahan	(D)	2016
NORTH ORANGE CCCD (5)	Michael Matsuda	(D)	2016
NORTH ORANGE CCCD (7)	Manny Ontiveros	(R)	2016
SOUTH ORANGE CCCD (2)	Thomas Prendergast	(NPP)	2014
SOUTH ORANGE CCCD (4)	Nancy Padberg	(R)	2014
SOUTH ORANGE CCCD (5)	Marcia Milchiker	(R)	2014
SOUTH ORANGE CCCD (1)	David B. Lang	(R)	2016
SOUTH ORANGE CCCD (3)	Bill Jay	(R)	2016
SOUTH ORANGE CCCD (6)	James Wright	(R)	2016
SOUTH ORANGE CCCD (7)	Tim Jemal	(NPP)	2016
COAST CCD (1)	Jim Moreno	(D)	2014
COAST CCD (5)	David Grant	(D)	2014
COAST CCD (2)	Jerry Patterson	(D)	2016
COAST CCD (3)	Lorraine Prinsky	(D)	2016
COAST CCD (4)	Mary Hornbuckle	(R)	2016

Source: <http://ocpolitical.com>

APPENDIX E: Selected References

1. <http://www.cccd.edu/>

This site is the portal to the Coast Community College District website and contains a variety of information about the district, colleges, programs, administration and Board of Trustees.

2. <http://www.nocccd.edu/>

This site is the portal to the North Orange County Community College District website and contains a variety of information about the district, colleges, programs, administration and Board of Trustees.

3. <https://www.socccd.edu/>

This site is the portal to the South Orange County Community College District website and contains a variety of information about the district, colleges, programs, administration and Board of Trustees.

4. <http://rscdd.edu/>

This site is the portal to the Rancho Santiago College District website and contains a variety of information about the district, colleges, programs, administration and Board of Trustees.

5. <http://www.ocde.us/>

The Orange County Department of Education (OCDE) is a public education organization offering support services to 27 school districts and more than 600 schools and 20,000 educators serving over 500,000 students in Orange County. OCDE's personnel offer support, professional development, and student programs through its divisions and departments: Administrative Services, Alternative Education, Business Services, Career and Technical Education, Information Technology, Instructional Services, Legal Services, School and Community Services, and Special Education.

6. <http://www.cccco.edu/>

The California Community Colleges Chancellor's Office is led by Chancellor Brice Harris who serves as the CEO of the board of governors and oversees the executive vice chancellors and the vice chancellors of each division. Executive Vice Chancellor Steven Bruckman directs two divisions, Legal Affairs and Internal Operations. Deputy Chancellor Erik Skinner oversees the remaining divisions except the Office of Communications, which is under the direction of Vice Chancellor for Communications Paul Feist. The Chancellor's Office oversees matters pertaining to the board of governors, the Consultation Council, the annual budget and legislative process, communications to the general public and media, and the internal operations of the agency.

Karen Gilmer is the assistant to Chancellor Harris and can be reached at kgilmer@cccco.edu or by calling (916) 322-4005.

7. <http://www.sco.ca.gov/>

The California State Controller is the Chief Fiscal Officer of California, the ninth-largest economy in the world. Elected every four years, the Controller makes sure the State's \$100 billion budget is spent properly, helps administer two of the nation's largest public pension funds, and serves on 81 State boards and commissions. These are charged with everything from protecting our coastline to overseeing crime victim compensation.

8. <https://www.accjc.org/>

The Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (ACCJC) accredits community colleges and other associate degree granting institutions in the Western region of the U.S. The ACCJC is one of seven regional accrediting commissions. The ACCJC is authorized to operate by the U.S. Department of Education through the Higher Education Opportunity Act of 2008.

9. <http://www.ccleague.org/>

The Community College League of California is a nonprofit public benefit corporation whose voluntary membership consists of the 72 local community college districts in California. Within the League are two major organizations which share a common mission, staff and fiscal resources: the California Community College Trustees (CCCT) and the Chief Executive Officers of the California Community Colleges (CEOCCC).

10. http://ag.ca.gov/publications/2003_Intro_BrownAct.pdf

This is one of several sites that reproduces a copy of the Brown Act as prepared by the Office of the California Attorney General.

11. <http://www.fppc.ca.gov/forms/rev201208/460.pdf>

This site provides directions for completing California Form 460 to report campaign donations in excess of \$1,000 within one calendar year.

12. <http://www.ca-ilg.org/campaigning-office>

This site presents an article offering tips on running a clean campaign including the role of conduct codes. Also, information is provided concerning the additional challenges of running as a candidate and officeholder.