Date: May 21, 2019

To: Commission and Other Interested Parties

From: Dr. Ian Walton, Fiscal Advisory Committee Chair  
Dr. Stephanie Droker, ACCJC Senior Vice President

Subject: Update on 2019 Annual Fiscal Report Review

Background
As required by federal regulations and Commission policy, the ACCJC conducts an annual fiscal health assessment of its member institutions. The Fiscal Advisory Committee, consisting of Commissioners and representatives from the field, provides input to the Commission on the fiscal review process in order to ensure assessment elements are relevant and valid.

ACCJC’s fiscal review is based on criteria in the Composite Financial Index (CFI). The rubric numerically summarizes the fiscal health factors which have the most potential to determine sound fiscal sustainability. Based on the relative numerical scores, each college is then categorized as “Healthy”, “Watch”, or “At-Risk” (institutions that score low on the assessment elements are deemed to be at-risk). This process has been used for fiscal report reviews for several years.

Summary of Annual Fiscal Report Analysis
The deadline for colleges with a July – June fiscal year to submit their reports and audits was April 5, 2019. Some colleges in ACCJC’s membership use different fiscal years. For those colleges, their reports are due in December 2019. The preliminary analysis by category is:

- **Pacific Island Public Institutions**
  - 8 colleges – all fall within “Healthy” category
  - 3 colleges have Fall fiscal years and were categorized as “Healthy” in Fall 2018

- **Private and Proprietary Institutions**
  - 6 colleges – all fall within “Healthy” category
  - 2 colleges have Fall fiscal years and were categorized as “Healthy” in Fall 2018

- **California Community Colleges (CCCs)**
  - 113 submitted
  - 102 colleges fall within “Healthy” category
  - 6 colleges fall within “Watch” category
  - 5 colleges (4 in one district) fall within “At-Risk” category
  - 1 college has not completed the report
Next Steps
Commission staff will follow-up with institutions in the “Watch” and “At-Risk” categories. Results and information collected through these interactions will be provided to the Commission at its next regularly scheduled meeting.