

Budget raises red flag

Accreditation commission says it will review college's finances

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VICTORVILLE ` Victor Valley College's current finances rank at the bottom of three designations given by the Accrediting Commission for Community Colleges and Junior Colleges, according to a recent letter from the ACCJC.

The designation means a more comprehensive review of the college's finances by the ACCJC. The commission cited significant unfunded student enrollment, excessive salary/benefits as a proportion of expenditures, and the college's recent Fiscal Crisis and Management Assistance Team (FCMAT) report as the reasons for the closer review, according to the letter.

VVC Acting President Peter Allan said that part of VVC's current probation status directly relates to this recent financial designation.

"It's a direct extension of recommendation six," Allan said. Recommendation six from the ACCJC requires that the college develop a long-term financial plan that does not rely on using unrestricted financial reserves. The college has historically used some of these reserves to maintain a balanced budget, VVC spokesman Bill Greulich said.

The college currently has about \$28 million in special reserves and a balanced budget for the next two years, he said. But school officials project a \$6 million deficit for the 2015-16 school year, he said, citing a report given by the college's financial officer on Friday. Their projected revenues are \$49 million for that year with projected expenses of \$55 million.

This year the state also appropriated the college with less funding than they have historically. The college received funding for approximately 8,700 full-time students and the college currently has enrolled the equivalent of 10,000 full-time students (13,000 total), he said. But having more students than the state gives the college funding for re-classifies them into the mid-size college category, which means an extra \$1 million from the state separate from "FTE funds," according to Allan.

"The bottom line is we're busting our butts to get as many students in here as we can," Allan said.

While colleges across the state saw declines in student enrollment, VVC saw a 3 percent increase in the first two weeks of the fall semester, he said.

"We're actually doing a better job than everyone else," Allan said. "It's a matter of opinion that unfunded FTE's are a negative. To me they're a positive because it means that we are serving the community."

Addressing excessive salaries and benefits will include the possibility of negotiations, Greulich said. The college has already negotiated and approved two lower rungs on the step-and-column pay scale for the college's management salary schedules, though the changes would only impact incoming managers.

In regards to the FCMAT report, Allan said it was a proactive move by VVC officials to identify ways they could improve to comply to the ACCJC's probation report. "When the ACCJC sees a college ask for a FCMAT report that is a signal that the college must be facing financial difficulties," Allan said. "It's a red flag."

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