

ASPECTS OF GOVERNANCE AT ALLAN HANCOCK COLLEGE

SUMMARY

The 2021 Santa Barbara County Grand Jury investigated a broad complaint about the governance of Allan Hancock College. The complaint covered seven years and alleged: (i) financial mismanagement at the College; (ii) grade manipulation at the College; and, (iii) a generally difficult work environment at the College, involving inappropriate hiring, promotion, and personnel evaluation practices. The Jury did not find systemic support for those allegations. The Jury recommends new evaluation and reporting measures to improve overall transparency in the management of Allan Hancock College.

INTRODUCTION

The 2021 Santa Barbara County Grand Jury (Jury) received a detailed complaint about some aspects of governance at Allan Hancock College (AHC or College). The alleged abuses were supposed to have been occurring over the past 5-7 years. The College's efforts and its internal dispute resolution system have not eliminated such complaints. The complaint alleged: (i) financial mismanagement; (ii) grade manipulation, notably in the K-12 partnership program; and, (iii) a difficult work environment at the College, involving personnel management and other aspects, notably in the College's mission to assist disadvantaged students in reaching their career and educational goals. The complainants, in presenting their Request For Investigation (RFI), sought assistance from the Jury in the form of a full and fair investigation.

METHODOLOGY

The Jury interviewed complainants, staff, administrators and a member of the Board of Trustees (Board). It reviewed financial and other AHC documents in the public domain.

OBSERVATIONS

Allegations of Financial Mismanagement

The College has a program of providing emergency loans to disadvantaged students. Such emergency loans are infrequent, and there is usually only one emergency loan per semester per student. These loans do not go directly to the student, but are paid to the supplier for such expenses as rent, food, fuel, and childcare. These loans are audited by the College's external auditors.

The complainants stated that there was corruption and mismanagement of funds lent or granted to disadvantaged students. The complainants cited two instances, one in which a student was said to have been given a petty cash loan above the maximum amount allowed. The Jury examined this allegation and found it to result from a misunderstanding of the loan program; the student received the loan and because of an administrative error received funds from another source which was used to repay the initial loan.

The second instance was one in which a student received a substantial loan from the College, and the repayment of the loan was forgiven. The Jury found that loan forgiveness resulted from an appropriate

exercise of administrative discretion.

The Jury observed that the individual transactions questioned in both instances in this RFI were not questioned by the College's external auditors, were within the discretionary management authority of College administrators, and were quite small. The Jury observed that the total amounts of petty cash loans made annually were also small compared to what the College spends annually on tutoring for students and on hiring student workers.

The Jury reviewed the audited financial statements of the College for 2018, 2019, and 2020. In each year the external auditors stated, "in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the [Allan Hancock Joint Community College] District." The audits found no "material weaknesses" or "significant deficiencies" in the internal controls over the financial reporting of the College. The Jury was informed that the College respects the provision of the California Education Code requiring rotation of auditors.

As noted in the achievements section on "Management's discussion and analysis of the 2018-19 Allan Hancock College Financial Statements," the College implemented the "Finance, Human Resources, and Payroll modules of the ERP software, Banner." The 2018-19 and 2019-20 audits of the College noted no significant implementation problems with Banner, and the Jury's interviews with users of Banner did not reveal any problems. Based upon these interviews with College officials, the Jury noted that the version of Banner in use at the College does not allow real time flagging of exceptions, which could pose risks to the integrity of the College's records and its financial position.

Allegations of Grade Manipulation

Allegations of grade manipulation were made concerning the College's concurrent enrollment program. Concurrent enrollment (the College Now program) has been available to high school students since 2015, which is part of the K-12 partnership. There have been more than 3,000 high school students enrolled to date in over 200 classes in College Now.

Discrepancies occur when the grade that a student received from the AHC class was different from that on their high school record. The College has no control over high school records.

Another allegation stated that some students were getting more credit for contact hours and counseling than they actually completed. The Jury was unable to confirm this.

The complainants alleged in the RFI documents that high-school students taking classes at AHC under the College Now program had had grades changed, on a wide scale and in a systematic manner, outside the normal grade changing procedures at AHC. The normal grade changing procedures at AHC involve a request from the student using a College form; receipt of the request by the professor; justification of the request by the student such as illness, family emergency, or childcare problems; approval and recording of the change by the professor and by the AHC Director of Records and Admissions.

The Jury interviewed the complainants and the College officials charged with managing grades and with managing the K-12 partnership. The complainants repeated their written allegations. The Jury could not substantiate their allegations, in writing or in the interviews. Examples of a misunderstanding, which does not rise to the level of manipulation, in the College Now grading system did occur in the first year of the program, when some students were unaware of the pass/no pass option that they had to request early in the term. Students' lack of awareness of this option caused some to get a failing grade in the first year of the program, and there were many requests for a change from an F to

a NP (no pass).

College officials involved in managing its records and with managing the K-12 partnership explained grade management and security to Jury members. The records management system was secure against illegal intrusion – which is the allegation. Moreover, the College records are audited annually by the external auditors in order to ensure that student transcripts are faithfully recorded and reported. Administrators of the K-12 partnership program told the Jury that grades of high school students for classes taken at AHC are recorded as College grades and are subject to the same strict system of grade recording and reporting.¹

Students may invoke the “Student Grievance Procedure,” as defined in Allan Hancock College Board Policy 5530, regarding course grades if they believe that their grades have been affected by “mistake, fraud, bad faith, or incompetency,” as permitted in the California Education Code. Upon request by a student for a grade change, an instructor may approve the request. The instructor then submits a request form to the Director of Admissions and Records and to the Vice-President of Student Services, who must jointly accept the professor’s decision to change the grade or jointly overrule it and leave the student’s grade unchanged. Given the strict procedures limiting grade changes, and the narrow scope for challenges to grades given by course instructors, the Jury found the allegation of wholesale grade changes improbable.

Allegations of a Difficult Work Environment

The Jury uses the expression “difficult work environment” in place of complainant’s use of the phrase “hostile work environment” because “hostile work environment” is a legal term that is outside the mandate and competence of this Jury.² The complaint declared such aspects of a difficult work environment to be “fear tactics,” “intimidation and reprisal,” and “gaslighting subordinates.” The complaint continued to assert that complaints within the College’s dispute resolution system had been answered without “full, unbiased investigations,” as had appeals to the College’s Board of Trustees.

To claim a hostile environment, one has to be a member of a legally defined protected class, and there has to be unlawful behavior. Investigation of a claim goes through a third party. The College has not had a substantiated case in recent years. If the complaint does not meet legal requirements, it is referred to the Human Resources Department, and there may be an investigation within that office.

When there is a complaint, a College Human Resources staff member will explain legal rights to the complainant. Faculty may appear before the Board to speak or to ask for an issue to be put on the Board agenda. There also is an online complaint process. HR complaints unresolved by the Administration can go before the Board for a fuller examination.

Reclassification of staff does not solve everything as there are few positions that lead toward upward mobility or for a career ladder at the College. Some staff are working at a classification level that is below their qualifications. Other staff have occasionally assumed more responsibility without a promotion until another support position is created.

The Jury reviewed the College’s dispute resolution procedures. First, the College has established principles of governance.³ Policies of the College Board, including a Code of Ethics, are posted online,

¹ AHC officials have no access to high-school transcripts.

² California Fair Employment and Housing Act. See Cal. Govt. Code, §§ 12940 et seq.; 2 C.C.R., §§ 11000 et seq

³ <https://www.hancockcollege.edu/governance/index.php>

and members of the Board are “responsible for upholding the principles in the Code of Ethics.⁴ The College has an elaborate system of decision making⁵ based, *inter alia*, on the principle that “[a]ll employees should have opportunities to participate meaningfully in college governance.” The collective bargaining processes at the College include “procedures for processing grievances” within the terms and conditions of employment. The College, moreover, negotiates collective bargaining agreements with all categories of staff except Management and “Supervisory/Confidential” employees, indicating that the coverage of agreed grievance resolution mechanisms is wide.

The Jury was made aware of at least one grievance for harassment and abusive conduct at the College. The complainant had sought to resolve the matter using the informal channels without success. This case indicates that there are established informal and formal channels of dispute resolution.

Another allegation under the rubric of a “difficult work environment” was “corrupt hiring and promotion practices.” The College’s employment practices⁶ are governed by Title 5 of the California Code of Regulations which regulates community colleges such as AHC. Under Title 5, a job analysis is required for each position; open recruitment is mandated “for all new full-time and part-time positions” and must be conducted “actively within and outside” the College. There is an exhaustive grievance procedure for allegations regarding hiring and other employment practices. Grievances about employment practices must follow the procedures in Title 5, including the provision of a report.

The Jury was made aware of two civil cases concerning personnel matters in 2019. These cases were brought by staff of AHC against the College in the Superior Court of the County of Santa Barbara. One is still before the Court; the other was “vacated” in 2021. The Jury does not investigate cases that are before the Courts.

The Jury’s investigation did not reveal substantial evidence of corruption or unfair manipulation of personnel questions. The instances presented to the Jury in the RFI and in the various interviews conducted by the Jury were resolved by exercises of legitimate managerial discretion. The Jury saw no evidence of corruption or unfair manipulation in personnel management practices at the College. The Jury noted that the working climate at the College does not seem particularly difficult. Only two personnel grievances have been filed in the past three years at the College. Moreover, staff turnover is low – resignations occur at annual rates of 5 percent among classified staff, 2.8 percent among management, and less than 1 percent among full-time faculty.

Other aspects of a difficult work environment included lack of opportunities for professional development through promotion and training, and a perceived failure of management to engage staff to deliver better services. Promotion practices are more difficult to evaluate. One reason is that promotions are rare. A second is that internal promotions sometimes cause conflict – internal candidates are naturally unhappy when they lose a competitive promotion. That said, one promotion that was referred to in the RFI was, in the Jury’s opinion, based on merit and awarded competitively. The College has used various staff evaluation methodologies, which are valuable tools, though the Jury feels that their application at AHC could be more transparent.

⁴ <https://www.hancockcollege.edu/board/policies/doclib/Code%20of%20Ethics-Standards%20of%20Practice%202715.pdf>

⁵ <https://www.hancockcollege.edu/president/documents/CCPD%20Councils%20and%20Committees%20Manual.pdf>

⁶ <https://www.hancockcollege.edu/board/policies/doclib/Equal%20Employment%20Opportunity%20and%20Staff%20Diversity%203420.pdf>

Information gained from a recent survey⁷ of faculty and staff sheds light on problems of staff engagement. The survey was done from March 26th to April 16, 2018, and sampled 217 members of faculty and staff; response rates were 81 percent among administrators, 47 percent among classified staff, and 41 percent among faculty. The survey identified several areas in which respondents found that the College’s working environment was more favorable than the norm in comparable educational institutions:

- “The people in my work group are committed to delivering high quality education and services” (4% > education norm);
- “Allan Hancock College provides high quality education and services” (8% > norm);
- “I understand how my job contributes to Allan Hancock College’s strategic priorities and goals” (6% > norm); and
- “Allan Hancock College provides a high-quality student experience” (8 % > norm).

The survey identified several areas in which respondents found that the College’s working environment was less favorable than the norm in comparable educational institutions. There were two general areas in which staff opinions were less favorable:

- “authority and empowerment” (13% < education norm); and
- “employee enablement” (8% < norm).

There were four specific statements with the least favorable staff opinions; the Jury determined these may have contributed to the negative perception of the work environment among complainants:

- “There are no significant barriers to doing my job well” (21% < education norm);
- “Allan Hancock College is open and honest in communications with employees” (25% < norm);
- “Allan Hancock College provides training so that I can perform my job well” (26% < norm); and
- “There is effective sharing of ideas and resources across Allan Hancock College” (24% < norm).

CONCLUSION

The 2021 Santa Barbara County Grand Jury investigated the Request For Investigation of several aspects of governance at Allan Hancock College. It concludes that the legal and administrative structure of governance at the College is solid, based as it is on the comprehensive California Education Code; that formal and informal dispute resolution mechanisms are used appropriately; that those mechanisms seem fair (even if the outcomes do not always please everyone) and conform to California state laws and practices, notably with respect to personnel matters and accusations of any form of harassment; and, that the College seems financially well managed.

The Jury observed that aspects – such as disagreements about budget or staffing– of the alleged difficult work environment did not seem to be out of the ordinary in an institution that employs between 500-1,000 depending on the numbers of part-time faculty at any given time. The Jury did conclude, however, based upon the interviews conducted and written materials consulted, that the Board of Trustees and senior administration of the College could improve communication and staff

⁷ <https://www.hancockcollege.edu/ie/surveys.php>

training in the interests of making the work environment more conducive to staff effort and performance.

FINDINGS AND RECOMMENDATIONS

Finding 1

The Santa Barbara County Grand Jury did not substantiate the specific allegations of financial mismanagement, as stated in the complaint.

Finding 2

The Santa Barbara County Grand Jury's reading of the financial audits of Allan Hancock College is that the College's financial management practices meet the standards for public education institutions and do not pose significant risks to the College's funds, but improvements could be made.

Recommendation 2

That the Board of Trustees of Allan Hancock College direct the administration of Allan Hancock College to upgrade its financial management software (Banner) to flag exceptions to procedures in real time to the attention of supervisors and managers, permitting greater oversight of such exceptions.

Finding 3

The Santa Barbara County Grand Jury did not substantiate the allegations of grade manipulation in the K-12 partnership program of Allan Hancock College, as stated in the complaint.

Recommendation 3

That the Board of Trustees of Allan Hancock College commission an external performance review of the K-12 partnership program over the past five years and the results of the review be made public.

Finding 4

The Santa Barbara County Grand Jury found that adequate human and electronic safeguards exist against systemic manipulation of grades at the College.

Recommendation 4

That the Board of Trustees of Allan Hancock College direct the Director of Admissions and Records to submit an annual report on grades – levels, rates and frequencies of grade changes, documented exceptions to procedures, patterns by academic department and discipline – to the Board of Trustees and post that report on the College website, in the interests of transparency and of maintaining public confidence.

Finding 5

The Santa Barbara County Grand Jury did not find systemic evidence of corrupt hiring, evaluation, and personnel management practices at the College, as alleged in the complaint.

Finding 6

The Santa Barbara County Grand Jury finds that staff opinions on the work environment are sometimes below the norms of comparable educational institutions in the areas of incentives for good performance, training, and open communications.

Recommendation 6a

That the Board of Trustees of Allan Hancock College direct the administration to make more effective use of peer-review evaluation practices.

Recommendation 6b

That the Board of Trustees of Allan Hancock College commission a new survey of faculty and staff engagement, to be done by an independent external firm, focusing on questions of staff incentives, training, and internal communications with the results of the survey to be discussed in a public forum.

Finding 7

The Santa Barbara County Grand Jury did not find systemic evidence of a difficult work environment at Allan Hancock College, as alleged in the complaint.

Finding 8

The Santa Barbara County Grand Jury finds that the College's internal dispute resolution procedures meet the standards for public education institutions in California.

REQUEST FOR RESPONSE

Pursuant to *California Penal Code Section 933 and 933.05*, the Santa Barbara County Grand Jury requests each entity or individual named below to respond to the enumerated findings and recommendations within the specified statutory time limit:

Responses to Findings shall be either:

- Agree
- Disagree wholly
- Disagree partially with an explanation

Responses to Recommendations shall be one of the following:

- Has been implemented, with brief summary of implementation actions taken
- Will be implemented, with an implementation schedule
- Requires further analysis, with analysis completion date of no more than six months after the issuance of the report
- Will not be implemented, with an explanation of why
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The Board of Trustees of Allan Hancock College – 90 days

Findings 1, 2, 3, 4, 5, 6, 7 and 8

Recommendations 2, 3, 4, 6a, and 6b