

CALIFORNIA
COMMUNITY COLLEGES
**SCHOLARSHIP
ENDOWMENT**
a commitment to students

CORRECTIVE ACTION POLICY

REVISED JULY 2023

Overview & Background

The Foundation for California Community College (FoundationCCC) remains committed to the proper stewardship of the California Community Colleges Scholarship Endowment (CCCSE) fund and to the important and positive impact it will have on thousands of Community College students each year in perpetuity.

Since launch of the CCCSE in 2008, FoundationCCC has worked closely with The Bernard Osher Foundation (Osher Foundation) to monitor trends that are out of compliance with the grant agreement that provides guidance for this fund, in particular the amount of cash-on-hand that colleges may carry over from year to year and deviations from the required scholarship criteria related to student selection and awards. FoundationCCC partnered with the Osher Foundation and the Chancellor's Office to craft this Corrective Action Policy that details how these issues are addressed.

FoundationCCC's intent is to ensure the scholarship guidelines continue to be met in a consistent manner and that colleges have a reasonable timeframe to resolve issues before any corrective measures are implemented. FoundationCCC and the Osher Foundation share the concern that the amount of cash-on-hand that colleges carry over into subsequent fiscal years can reduce the number of students benefiting from these funds. The actions described below will only impact the scholarship payouts derived from the Osher Foundation's lead gift of \$25 million, otherwise referred to as "initial gift scholarships."

Overview

Colleges are encouraged to maintain a cash-on-hand balance of less than \$1,000 each fiscal year and put in place an overall management and staffing transition plan to help ensure the program continues to operate effectively when staff or administrative changes occur. Colleges that accrue a cash reserve balance, referred to here as cash-on-hand, of \$5,000 or more or deviate from other guidelines will be subject to corrective action measures.

Cash-on-Hand

Colleges with \$5,000 or more funds remaining in the form of cash-on-hand at the end of a given reporting period become subject to the following corrective measures. Out-of-compliance colleges will be identified through the annual reporting process.

Tier 1: Notification

Following the reporting period, FoundationCCC notifies the designated college contact and the college President/CEO. College must submit a Corrective Action Plan outlining the steps that will be taken to address the issue and has until the following reporting period to put policies in place to correct the issue. The Osher Foundation is informed of this notification and will be provided with a copy of the college's plan.

Tier 2: Progress Report and Revised Corrective Action Plan

If the issue(s) is not addressed or resolved by the following reporting period, the college must submit a revised Corrective Action Plan and report on progress made towards the steps outlined in the initial plan. The Osher Foundation is informed of the college's status and will be provided with a copy of the progress report and revised plan.

Tier 3: Reduction or Curtailment of Osher Scholarship Funds

If the issue continues into the following reporting period, future scholarship distributions from the initial gift may be reduced and redirected to other colleges until the carryover fund is depleted.

Tier 4: Suspension of Osher Scholarship Funds

If carryover funds are not depleted within three years of the initial notification, future scholarship funds from the initial gift will be suspended until the next annual report indicates the carryover fund balance is zero.

Deviation from Scholarship Guidelines

Colleges that have deviated from the required scholarship criteria related to student selection and awards will be subject to the following corrective measures. Out-of-compliance colleges will be identified through the annual reporting process.

Tier 1: Notification

Following the reporting period, FoundationCCC notifies the designated college contact and the college President/CEO. College must submit a description of the current application and selection process and a Corrective Action Plan outlining the steps that will be taken to address the issue. The college has until the following reporting period to put policies in place to correct the issue. The Osher Foundation is informed of this notification and will be provided with a copy of the college's current application and selection process and plan.

Tier 2: Progress Report and Revised Corrective Action Plan

If the issue(s) is not addressed or resolved by the following reporting period, the college must submit a revised Corrective Action Plan and report on progress made towards the steps outlined in the initial plan. The Osher Foundation is informed of the college's status and will be provided with a copy of the progress report and revised plan.

Tier 3: Suspension of Osher Scholarship Funds

If the issue continues by the following reporting period, future scholarship payouts from the initial gift will be suspended until the next annual report indicates full compliance.