

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

Corrective Action Policy

Revised July 2025

Overview and Background

The Foundation for California Community Colleges (FoundationCCC) remains committed to the responsible stewardship of the California Community Colleges Scholarship Endowment (CCCSE) fund and the transformative, long-term impact it has on thousands of community college students each year in perpetuity.

Since the launch of 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 guiding the fund, particularly regarding the amount of cash-on-hand colleges may carry over from year to year, and adherence to required scholarship criteria for student selection and awards.

In partnership with the Osher Foundation and the California Community Colleges Chancellor's Office, FoundationCCC developed this Corrective Action Policy to clarify how noncompliance is addressed.

The goal is to ensure the scholarship guidelines are applied consistently and that colleges are given a reasonable timeframe to resolve any issues before corrective measures are implemented. Both FoundationCCC and the Osher Foundation share concerns that excessive carryover funds can reduce the number of students benefiting from these scholarships. The corrective actions described below apply only to scholarships funded by the Osher Foundation's \$25 million lead gift, otherwise referred to as "initial gift scholarships."

Cash-on-Hand

Colleges are encouraged to maintain a year-end cash-on-hand balance of less than \$1,000 and to develop a management and staffing transition plan to support program continuity. Colleges that accrue a cash reserve balance, referred to here as cash-on-hand, of \$5,000 or more at the end of a reporting period or that otherwise deviate from scholarship guidelines will be subject to the following corrective action measures.

Out-of-compliance colleges will be identified through the annual reporting process.

TIER 1: NOTIFICATION

Following the reporting period, FoundationCCC will notify the designated college contact and the college President/CEO. The college must submit a Corrective Action Plan outlining the steps that will be taken to address the issue. The college has until the following reporting period to implement corrective policies. The Osher Foundation will be informed and provided with a copy of the plan.

TIER 2: PROGRESS REPORT AND REVISED CORRECTIVE ACTION PLAN

If the issue(s) are 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 deviate from 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 will notify the designated college contact and the college President/CEO. The college must submit:

- A description of the current application and selection process
- A Corrective Action Plan outlining steps to resolve 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, selection process, and plan.

TIER 2: PROGRESS REPORT AND REVISED CORRECTIVE ACTION PLAN

If the issue(s) are 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.

