

## NOTICE PUBLICATION/REGULATIONS COMMISSION

(See instructions on reverse)


For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-	2013-1121-01 P	
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	

ENDORSED FILED  
IN THE OFFICE OF

2013 NOV 21 AM 9:03

  
 DEBRA BOWEN  
 SECRETARY OF STATE

AGENCY FILE NUMBER (if any)

 AGENCY WITH RULEMAKING AUTHORITY  
 Board of Governors of the California Community Colleges

## A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
N/A	N/A	N/A	N/A
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
	N/A	N/A	N/A
OAL USE ONLY	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER	PUBLICATION DATE
	<input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		

## B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
Inadequate Plans by District; Authorized Actions by the Chancellor	

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND
	REPEAL
TITLE(S)	5

3. TYPE OF FILING

- Regular Rulemaking (Gov. Code §11346)  
 Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)  
 Emergency (Gov. Code, §11346.1(b))
- Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.  
 Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
- Emergency Readopt (Gov. Code, §11346.1(h))  
 File & Print  
 Other (Specify) \_\_\_\_\_
- Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)  
 Print Only

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

- Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))  
 Effective on filing with Secretary of State  
 §100 Changes Without Regulatory Effect  
 Effective other (Specify) 30 days after filed w/Secretary of State

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

- Department of Finance (Form STD. 399) (SAM §6660)  
 Fair Political Practices Commission  
 State Fire Marshal

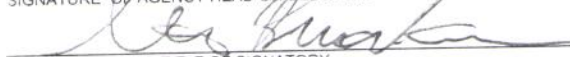
7. CONTACT PERSON

Steven Bruckman, General Counsel	TELEPHONE NUMBER 916-445-9328	FAX NUMBER (Optional) 916-322-9030	E-MAIL ADDRESS (Optional) sbruckman@cccco.edu
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE



11/19/13

TYPED NAME AND TITLE OF SIGNATORY

Steven Bruckman, Executive Vice Chancellor and General Counsel

For use by Office of Administrative Law (OAL) only

**BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES**  
**REVISIONS TO TITLE 5 REGULATIONS:**  
**Inadequate Plans by District or Failure to Implement Plans;**  
**Authorized Actions by the Chancellor**

1. Section 58312 of subchapter 4, of chapter 9 of division 6 of title 5 of the California Code of Regulations is amended to read:

**§ 58312. Inadequate Plans by District or Failure to Implement Plans; Authorized Actions by the Chancellor.**

If the Chancellor determines that the district's plans prepared and adopted pursuant to section 58310 are inadequate to solve the financial problems or to implement the principles of sound fiscal management, or if the district substantially fails to implement the plans, or if a college operated by the district is in imminent jeopardy of losing its accreditation which would create severe fiscal problems, the Chancellor shall have the authority to take any of the following actions. The Chancellor should first utilize measures which minimize interference with normal district operation, unless he or she determines that acting otherwise is necessary to prevent the worsening of fiscal conditions at the district.

(a) Conduct a comprehensive management review of the district and its educational programs and an audit of the financial condition of the district. The Chancellor may also contract for, or request another appropriate agency to conduct, the reviews and audit or require the district, at the expense of the district, to contract for the reviews and audit. The terms and conditions of the contract and the final selection of a contractor shall be subject to the written approval of the Chancellor.

(b) Direct the district to amend and readopt the fiscal and educational plans prepared pursuant to section 58310 based on the findings of the comprehensive audits.

(c) Review and monitor the implementation of the plans and direct the district to make any further modifications to the fiscal and educational plans he or she deems necessary for the district's achievement of fiscal stability.

(d) Appoint or assign a special trustee at district expense for the period of time necessary for the district to achieve fiscal stability or solvency, to implement the principles of sound fiscal management, or to maintain the accredited status of a college or to recover accredited status if it has been terminated. The Chancellor shall establish benchmarks that indicate the presence of local capacity to manage fiscal duties. The special trustee shall have recognized expertise in finance, and may, with the approval of the Chancellor, employ on a short-term basis any staff necessary to assist the special trustee. The Chancellor shall determine and specify in writing the duties of the special trustee, which may include, but are not limited to, any or all of the following:

(1) Reviewing and monitoring the plans, reports, and other financial material required under section 58310 and this section.

(2) Requiring any further modifications to the fiscal and educational plans which he or she deems necessary.



(3) Determining district spending levels and priorities to further the district's achievement of fiscal stability.

(4) Approving or disapproving actions of the district which affect or relate to the implementation of the fiscal and educational plans.

(e) If the Chancellor determines that further efforts to have the district modify or implement the plans would be futile, the Chancellor may, with the approval of the Board of Governors, also authorize a special trustee appointed pursuant to subdivision (d) to assume management and control of the district, including assumption of the legal rights, powers and duties of the governing board of the district to the full extent deemed necessary by the Board of Governors in order to achieve fiscal stability or solvency, to implement the principles of sound fiscal management set forth in section 58311, or to maintain the accredited status of a college or recover accredited status if it has been terminated. The Chancellor may authorize the special trustee to exercise such powers as are approved by the Board of Governors for a period of no more than one year, unless the Board of Governors approves one or more one-year extensions. The exercise by the special trustee of such powers shall be subject to all legal requirements applicable to the district. The governing board of the district may not exercise any authority so assumed.

(f) The Chancellor may require the district, at district expense, to pay all costs incurred in performing any of the services described in this section. This may include requiring the district to employ staff or contract for services necessary to assist the special trustee, to compensate the special trustee for his or her services and for any expenses or liabilities that he or she may incur, to insure the special trustee, and to defend, indemnify and hold harmless the special trustee, the Office of the Chancellor or its employees and the state for any liability arising out of or in connection with the conduct of the district or its governing board prior to the appointment of the special trustee. Alternatively, or to the additional extent necessary, the Chancellor may withhold funds necessary to pay for any or all such costs incurred in performing the services described herein from funding that would otherwise have been apportioned to the district under Section B of the State School Fund.

NOTE: Authority cited: Sections 66700, 70901 and 84040, Education Code. Reference: Section 70901, Education Code.