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October 7, 2021

Dr. Lee Lambert
Chancellor
Pima County Community College District
4905C E. Broadway Blvd.
Suite C-234
Tucson, AZ 85709

Dear Chancellor Lambert:

This letter serves as formal notification and official record of action taken concerning Pima County Community College District by the Institutional Actions Council of the Higher Learning Commission at its meeting on October 4, 2021. The date of this action constitutes the effective date of the institution's new status with HLC.

Action. IAC accepted the staff recommendation for a Focused Visit to be scheduled no later than April 2022, to review Core Component 2.C.

In taking this action, the IAC considered materials from the most recent evaluation and the institutional response (if applicable) to the evaluation findings.

In two weeks, this action will be added to the *Institutional Status and Requirements (ISR) Report*, a resource for Accreditation Liaison Officers to review and manage information regarding the institution's accreditation relationship. Accreditation Liaison Officers may request the ISR Report on HLC's website at <https://www.hlcommission.org/isr-request>.

Within the next 30 days, HLC will also publish information about this action on its website at <https://www.hlcommission.org/Student-Resources/recent-actions.html>.

If you have any questions about these documents after viewing them, please contact the institution's staff liaison Linnea Stenson. Your cooperation in this matter is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Barbara Gellman-Danley". The signature is fluid and cursive.

Barbara Gellman-Danley
President

CC: ALO



Date: September 2, 2021

To: Institutional Actions Council (IAC)

From: Linnea A. Stenson, Vice President of Accreditation Relations

Re: Pima County Community College District governance issues

I am providing this memorandum to the Higher Learning Commission's (HLC's) Institutional Actions Council (IAC) for the purpose of recommending a focused visit to Pima County Community College District (PCCCD) to review governance issues.

In early July 2021, HLC received a complaint from a from a Vice Chancellor at Pima. (This individual no longer works at the institution.) This individual expressed concerns that the institution failed to follow its own processes and policies related to contracting and essentially "rigged" the process to favor one contractor. The contract then resulted in a net-loss for the institution to the tune of \$500,000 per year, or about \$16.5 million over the life of the project. The complainant indicated that the institution and board were aware of the cost discrepancies between this particular vendor and alternatives and that significant pieces of information were missing from the bids.

In accordance with HLC procedure, HLC sent the complaint to Pima for a response based on the following potential concerns regarding the institution's substantive compliance with the following HLC requirements:

- Criterion Two, Core Component 2.A, "the institution establishes and follows policies and processes to ensure fair and ethical behavior on the part of its governing board, administration, faculty and staff;"
- Criterion Two, Core Component 2.C, "the governing board of the institution is autonomous to make decisions in the best interest of the institution in compliance with board policies and to ensure the institution's integrity;" and
- Criterion Five, Core Component 5.A, "through its administrative structures and

collaborative processes, the institution's leadership demonstrates that it is effective and enables the institution to fulfill its mission."

The institution provided a written response to HLC's inquiry, evidencing that multiple reviews of both the contract and the procurement procedures occurred and nothing improper was found. The response included formal documents showing that the Attorney General declined to intervene, and the state Auditor found no conflict of interest. Of concern to HLC is less the details of potential financial losses as cited in the complaint, and more that processes and policies were followed. Evidence documents that the Board was informed and appeared to be engaged. However, based on review of the institution's response, there were remaining questions regarding the sufficiency of the Board's autonomy and questions regarding the Board's varying extent of involvement in the institution's contracting procedures.

Subsequently in August 2021, HLC received a supplement to the first complaint and two additional complaints regarding the aforementioned circumstances. The first additional complaint was from C-FAIRR, a local non-profit watchdog. The C-FAIRR complaint reiterated the same factual circumstances and allegations as the original complaint. The second additional complaint was from two of Pima's board members, essentially rehashing the original complaint, as well as expressing concerns that the law firm retained by the institution is not sufficiently independent and that they were not involved in the complaint response and decisions being made by the Chancellor. As you may be aware, Pima has a long history of difficult relationships between members of the governing board and the Chancellor.

The lingering questions from the first complaint received by HLC appear to particularly related to Core Component 2.C.: "The governing board of the institution is autonomous to make decisions in the best interest of the institution in compliance with board policies and to ensure the institution's integrity." This concern is only further reinforced by the additional information and two complaints later received by HLC. These subsequent complaints, however, raise no additional concerns on their own.

HLC policy INST.D.30.1010 permits staff to make recommendation to the Institutional Actions Council (IAC), substantive amendments affecting an institution's Statement of Affiliation Status, including new requirements for monitoring. In accordance with this policy, and based on the complaints HLC has received, I am recommending a focused visit to be scheduled to occur no later than April 2022, to review Core Component 2.C.

Specifically, the visit will examine Pima County Community College's policies and procedures related to its board, including the role the board plays in reviewing and approving contracts; the autonomy of the board from external influences; and effectiveness of the relationship between the Chancellor, the Board Chair, and the rest of the governing board to determine the institution's compliance with Core Component 2.C.

Please let me know if there are any questions.