Follow-Up Report

Submitted by

Peralta Community College District
Berkeley City College
College of Alameda
Laney College
Merritt College

To

Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges

March 15, 2012

Wise E. Allen, Ph.D., Chancellor

Peralta Community College District Board of Trustees:

Certification of the March 15, 2012 Follow-Up Report

Date:

To: Accrediting Commission for Community and Junior Colleges
           Western Association of Schools and Colleges

From: Peralta Community College District
           333 East Eighth Street
           Oakland, CA 94606

This Follow-Up Report is submitted for the purpose of assisting in the determination of the accreditation status of the four colleges of the Peralta Community College District (Berkeley City College, College of Alameda, Laney College, and Merritt College.)
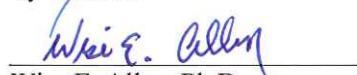
We certify that there was participation by the district community and the Follow-Up Report reflects accurately the progress to date in meeting recommendations as required by the Accrediting Commission for Community and Junior Colleges (ACCJC).

Signed:

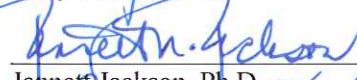|	
Cy Gulassa	President, Governing Board, Peralta Community College District
Wise E. Allen, Ph.D.	Chancellor Peralta Community College District
Debbie Budd, Ed.D.	District Accreditation Liaison Officer Vice Chancellor – Educational Services Peralta Community College District
Betty Inclan, Ph.D.	President Berkeley City College
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George Herring, Ph.D.	Interim President, Merritt College
Karolyn van Putten, Ph.D.	District Academic Senate President Peralta Community College District
Matthew Goldstein, Ph.D.	President of the Peralta Federation of Teachers Peralta Community College District
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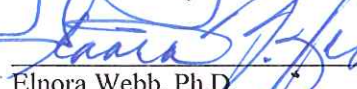
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Statement on Report Preparation

In preparing this March 15, 2012 Follow-Up Report, emphasis was directed to the Evaluation Team Follow-Up Visit Report (April 2011) and the five current Commission Recommendations. The "General Observations", acknowledged by the ACCJC evaluation team report, state that the district is making progress and is taking the Commission's recommendations seriously. As a reminder of progress and guidance to sustainability to the colleges and district, these general observations are stated below.

"The team noticed the positive change in the overall demeanor of the colleges and district staff when compared to visits in 2009 and 2010. The college leaders, district administration, and the members of the Board were focused and demonstrated a proactive approach to addressing the issues that led to the recommendations. They are following their plan to implement 'best practices', not just to comply with the recommendations."

"Those interviewed expressed their sense of confidence in the district and college leadership and indicated that they felt optimistic and supported by the district. They described better access to data to facilitate planning, improved communication, and a closer working relationship among the colleges in the district. Accuracy and timeliness were also mentioned as greatly improved, stating now that they have the data they can do the analysis and make the decisions."

"The Board of Trustees, district, and colleges appear to have understood the intent of the recommendations and have moved forward to address them in an effective and timely manner. The observations by student leaders sum it up best. They described the Board as 'present at college functions but not intervening in college operations. They are there as policy makers who care about students.'" (p. 5)

The Evaluation Team Report concludes by saying, "In general, those interviewed expressed confidence that the district is on the right track. District and college personnel provided consistent and clear information that supported the district and Board's work to address all of the recommendations from 2009 and 2010. It is clear that the current Chancellor and his executive leadership have instituted many positive changes in a short period of time. Employees expressed a greater trust in the Chancellor, members of the Chancellor's staff, and the Board of Trustees. They were satisfied with the communication that has occurred between the colleges, the district, and the Board of Trustees. There is adequate representation at all district councils and committees and information is communicated back to the colleges and recommendations are forwarded to the district through council or committee representation. Employees commented that the changes have positively impacted the colleges and their ability to engage in planning."

"College personnel indicated that the level of transparency and district effectiveness has improved substantially since the last team visit in November 2010. Planning systems have been strengthened, the PeopleSoft Resolution Team is in full operation, and there is collaboration with college personnel in developing systems and processes." (p. 9)

The Accrediting Commission for Community and Junior Colleges (ACCJC) action letter cites five (5) Commission Recommendations which are addressed in this Follow-Up Report. The Commission's action letter states, "These recommendations replace and supersede all other Commission recommendations assigned to the Peralta District."

The five Commission recommendations are as follows:

Commission Recommendation 1:
The District has identified several options to address the **OPEB liability** without stating which option it intends to pursue. In accordance with Standard III.D.1, b and c, and Eligibility Requirement #17, the District needs to identify the amount of obligation that currently exists as a result of the activities related to the OPEB loss and establish a plan and timeline that reflects how the District will pay off any liability that may have resulted from the OPEB bonds.

Commission Recommendation 2:
In accordance with Standard III.D.2.a, c, and g and Eligibility Requirement #18, the District needs to **resolve outstanding audit findings** identified in the Department of Education letter dated May 20, 2011 referring to Audit Control Number (CAN) 09-2009-10795. That letter identifies the findings for each of the four colleges as those findings relate to Department of Education areas of funded programs including Title IV and Financial Aid. Additionally, the District should resolve all audit findings in the Vavrinck, Trine, Day, & Co. LLP, Certified Public Accountants' audit reports for years 2008, 2009, and future audit reports issued after the date of this recommendation.

Commission Recommendation 3:
While evidence identifies progress, the District has not achieved compliance with Standard III.D and Eligibility Requirement #17. Specifically, the District has not achieved a **long-term fiscal stability** related to resolution of collective bargaining agreements on compensation and post-retirement benefits. Therefore, in order to meet the Standards and the Eligibility Requirements, the District must assess its fiscal capacity and stability and implement actions to resolve the deficiencies.

Commission Recommendation 4:
While evidence identifies progress, the District has not achieved compliance with Standard IV.B and Eligibility Requirement #3. Specifically, the District has not completed the evaluation of **Board policies** to the end of maintaining policies that are appropriate to policy governance and excluding policies that inappropriately reflect administrative operations. Therefore, in order to meet Standards and Eligibility Requirements, the District must evaluate all Board policies and implement actions to resolve deficiencies.

Commission Recommendation 5:
While evidence identifies progress, the District/Colleges have not achieved compliance with Standard III.D and Eligibility Requirements #5 and #17. Specifically the District/Colleges do not demonstrate the **fiscal capacity** to adequately support quality student learning programs and services. Therefore, in order to meet Standards and Eligibility Requirements, the

District/Colleges must evaluate the impact of financial decisions on the educational quality and implement actions to resolve any deficiencies.

The Vice Chancellor of Educational Services, the Vice Chancellor of Finance and Administration, the Fiscal Advisor for the Peralta Community College District, College Presidents, and a special advisor assigned to lead the process for revising Board policies and District administrative procedures, provided the information contained in this report. The Chancellor, and the above PCCD accreditation team, reviewed the report for accuracy and adherence to the ACCJC recommendations. Of particular focus was the assurance of adherence toward the institution's educational quality and students' success. This report provides information and cited evidence through January 31, 2012, that demonstrates the PCCD's self-regulation of institutional integrity, effectiveness, and quality.

This Follow-Up Report was forwarded to the Governing Board for review and discussion at their February 28, 2012 Board meeting, and action at their March 13, 2012 Board meeting.

The Chancellor and the PCCD's educational community look forward to sharing the continued progress relative to the five Commission recommendations with the ACCJC visiting evaluation team members during their follow-up visit. The Peralta Community College District views the ACCJC team evaluation visit as an opportunity to ensure ongoing dialogue with ACCJC, to answer any questions regarding this Peralta Community College District Follow-Up Report, and to provide evidence relative to the accreditation progress made by the Peralta Community College District. The Peralta Community College District will update the visiting evaluation team regarding any progress relative to the five recommendations since the completion of the writing of this Follow-Up Report. The District will be well prepared to respond to any questions and provide any additional information requested by the ACCJC visiting evaluation team.

All documents listed as Evidence can be accessed at the following Website:
http://web.peralta.edu/accreditation/follow-up-report-and-documentation-march-15-2012/

Response to Commission Recommendation 1

Commission Recommendation 1:
The District has identified several options to address the OPEB liability without stating which option it intends to pursue. In accordance with Standard III.D.1, b and c, and Eligibility Requirement #17, the District needs to identify the amount of obligation that currently exists as a result of the activities related to the OPEB loss and establish a plan and timeline that reflects how the District will pay off any liability that may have resulted from the OPEB bonds.

Response

With the adoption of GASB 45, all public agencies are required to report their Other Post Employment Benefits, which primarily consists of post-retirement health insurance. As determined by the 2005 actuarial study, the Peralta Community College District's liability at that time was reported as $133.8 million. As a way to manage this liability, the Peralta Community College District financed this liability through the issuance of taxable OPEB bonds in December 2005. There were two series of bonds issued: the first series were current interest bonds; the second series were six (6) terms of convertible capital appreciation bonds, the B-1 to B-6 tranches (CARS). These six tranches of term bonds convert at different dates into variable rate securities called "Auction Rate Securities." In an effort to mitigate interest rate risk associated with the auction rate securities, the District also entered into interest rate SWAP agreements for each tranche of bonds. The District entered into these SWAP agreements with Morgan Stanley.

In 2006 and 2009, the District restructured the 2005 OPEB bonds. For the 2006 transaction, three short maturities of current interest bonds were restructured to mature in 2049. In the 2009 transaction, two short maturities of current interest bonds were restructured to mature in 2011 through 2015. In addition, the first series of convertible capital appreciation bonds (B-1) were restructured as current interest bonds. The B-1 swap associated with the B-1 bonds was not terminated. All of the Morgan Stanley (see above) swaps are still outstanding. Since the B-1 swap was not terminated during the 2009 restructuring, it has passed its forward starting date and became effective, and the District is making payments to Morgan Stanley.

At the PCCD Board of Trustees meeting on March 29, 2011, with the objective to develop and implement a conservative plan of finance for the District's management of the OPEB program and bonds, Kelling, Northcross, and Nobriga, Inc. (KNN), the District's financial advisors, made three primary recommendations:

1. KNN recommended that in order to provide general fund flexibility and a more balanced debt service schedule, the District restructure the 2009 current interest bonds to smooth out the debt service acceleration.
2. KNN recommended that in order to manage the swap costs and risk, the District terminate the B-1 swap with available District funds or through the restructuring financing. KNN also recommended termination of the remaining five (B-2 through B-6) swaps when there is a favorable market.

3. Finally, KNN recommended that as an integral part of the management of the OPEB program costs and risk, the District commence analysis on options to restructure the Auction Rate Securities that are no longer a viable security.

In adherence to the ACCJC's Commission Recommendation 1 and Eligibility Requirement #17, the District has taken the following actions, in order to establish more fully a plan and timeline on how the PCCD will pay off the liability from OPEB:

- The OPEB Retirement Board was reconstituted and held its first meeting on April 13, 2011 and has met at least monthly since that time;
- The Retirement Board created and the Board of Trustees approved bylaws articulating the scope of the Retirement Board as well as the manner in which it is to operate;
- The Retirement Board conducted an open and competitive search for new underwriters and bond counsel at the conclusion of which JP Morgan was selected as Underwriters and Stradling, Yocca, Carlson, and Rauth was selected as Bond Counsel;
- On October 28, 2011 the District successfully restructured the debt service on the existing OPEB bonds and therefore will achieve budgetary relief and savings of approximately $27 million over the next 5 fiscal years; and
- The District implemented a complete restructuring of the funding mechanism supporting the OPEB Program.
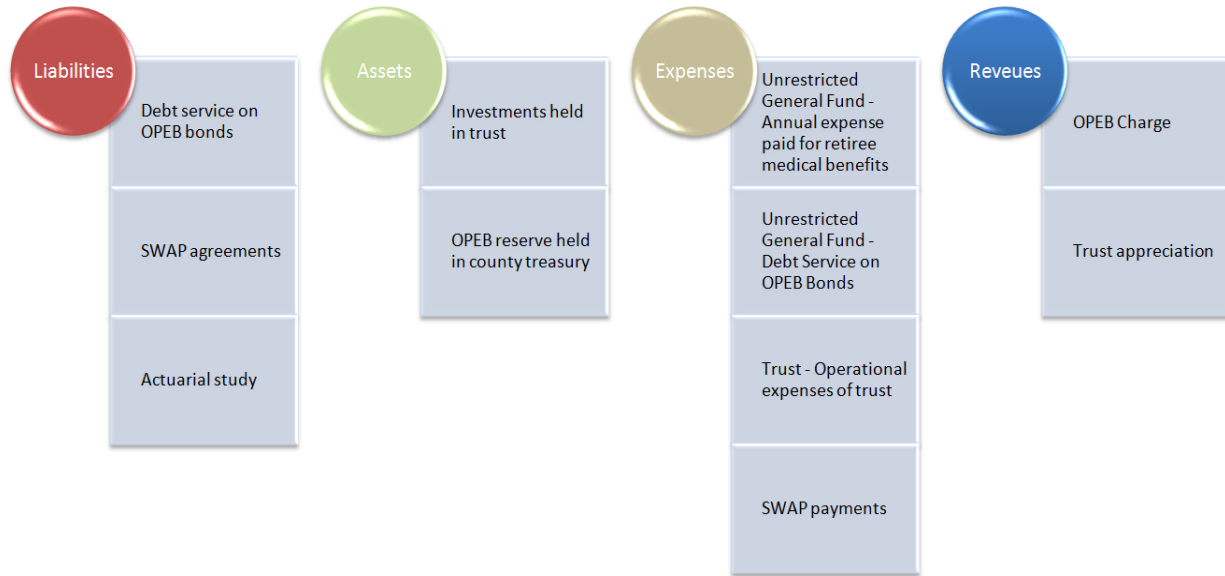
Plan Structure

The current revised OPEB plan structure consists of four basic elements. The first element is the associated liabilities. These liabilities consist of the debt service associated with the bonds sold to fund the revocable trust, the six traunches of SWAP agreements, and lastly the actuarial study projecting the actuarial accrued liability directly related to the existing Other Post Employment Benefits obligation.

The second element is the restricted assets set aside to fund the ongoing expenses and liabilities within the OPEB program. The two assets within the program are the investments currently held in the revocable trust originating from the bond sale in 2005 <u>and</u> the OPEB reserve fund held in the Alameda County Treasurer's Office.

The third element is the annual expenses incurred related to the operations of the OPEB program. These expenses are a result of fulfilling the OPEB obligations to existing retirees, as well as setting aside funds to pay for future obligations for current employees for when they retire, annual debt service payments associated with the bonds (short-term portion of the liability previously discussed), operational expenses related to maintaining the trust, and periodic payments that are contractually required under the existing B-1 SWAP to Morgan Stanley (short-term portion of the total SWAP liability previously discussed).

The fourth element is the revenues that have and will continue to be transferred into the revocable trust to fund the expenses and liabilities. These revenues include the OPEB Charge

now being applied to all budgets that support positions eligible for OPEB, as well as any appreciation in market value of the portfolio within the revocable trust.

Liabilities	Assets	Expenses	Reveues
Debt service on OPEB bonds	Investments held in trust	Unrestricted General Fund - Annual expense paid for retiree medical benefits	OPEB Charge
SWAP agreements	OPEB reserve held in county treasury	Unrestricted General Fund - Debt Service on OPEB Bonds	Trust appreciation
Actuarial study		Trust - Operational expenses of trust	
		SWAP payments	

The key for the long term sustainability of the OPEB Program is for the revenues to support the annual expenses of the trust, as well as fund the long term liabilities, i.e. Actuarial Accrued Liability (AAL). The following sections provide the evaluation team with a more focused explanation on the long term sustainability of the OPEB program and the revenues identified to support the liability associated with the OPEB.
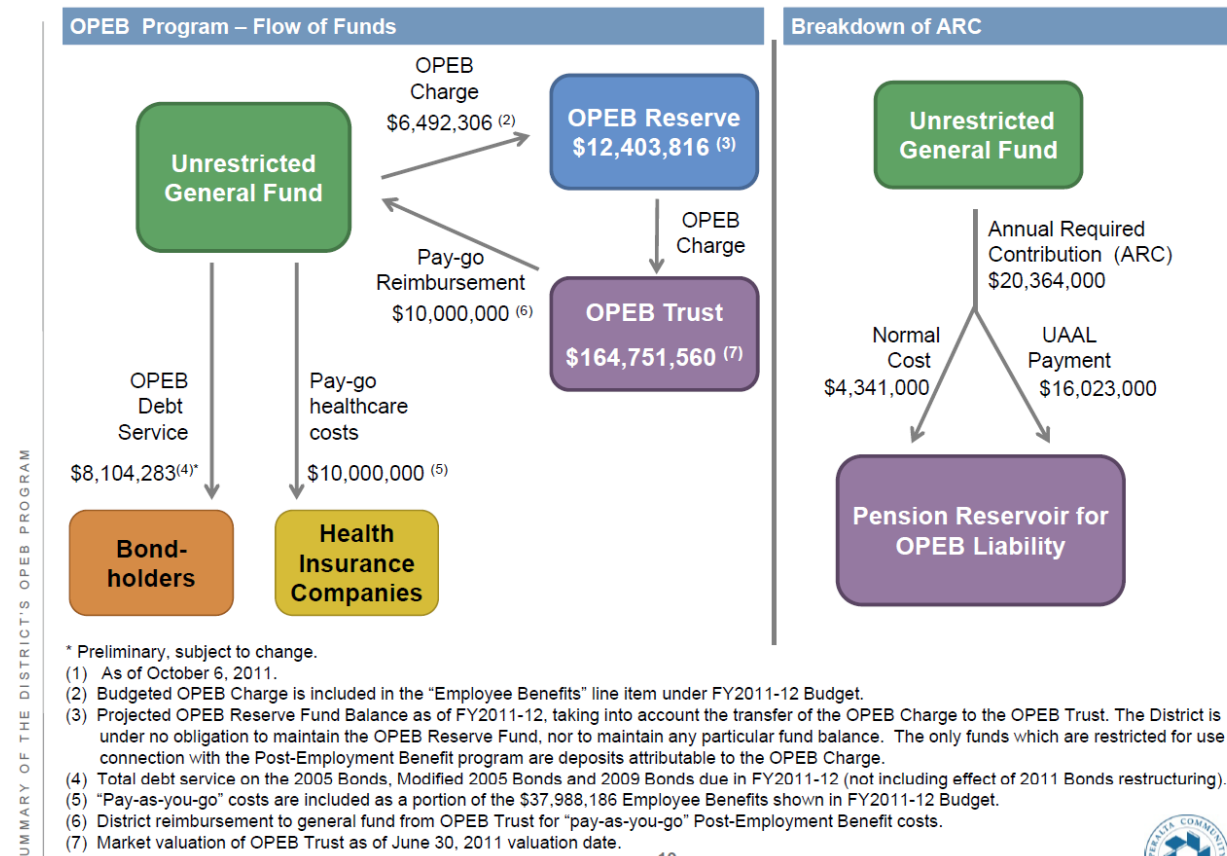
Funding Sources/Uses

The District has appropriated additional resources to fund the gap between the OPEB Trust assets and the District's Actuarial Accrued Liability (AAL). As a result of a multi-year savings plan, the estimated actual balance held in the District's OPEB Reserve Fund, as of June 30, 2011, exceeded $14,000,000. Amounts on deposit in an unrestricted OPEB Reserve Fund (other than amounts attributable to the OPEB Charge) are available to pay for any lawful expenditures of the District, including but not limited to, Swap Agreement termination payments, debt service on the 2005 Bonds, or Other Post-Employment Benefits. Although the OPEB Reserve Fund is available to pay debt service on the Bonds (except for funds attributable to the OPEB Charge), the District has budgeted, for fiscal year 2011-12, sufficient amounts from the General Fund to satisfy debt service obligations on the 2005 Bonds.

Beginning in fiscal year 2010-11, the District implemented an OPEB Charge to supplement funds available in the OPEB Trust to pay Other Post-Employment Benefits. The OPEB Charge is a uniformly applied District paid charge to all programs and is a function of the currently projected Annual Required Contribution (ARC), calculated as a percentage of payroll for all OPEB eligible active employees. Based on the then current actuarial study, the OPEB Charge was initially calculated at 12.5%.

The funds, to which the OPEB Charge applies during each fiscal year, will be accounted for in the OPEB Reserve Fund. At the end of the fiscal year, such amounts will be transferred to the OPEB Trust to be invested in accordance with its Investment Policy Statement and applied to satisfy the Normal Cost and the unfunded past-service liability of active employees of the District. For fiscal year 2010-11, the OPEB Charge resulted in approximately $7.1 million of additional deposits into the OPEB Trust. Based upon the most recent actuarial study, effective July 1, 2011, the OPEB Charge was increased from 12.5% to 12.9% and is expected to result in approximately $7 million of deposits to the OPEB Trust during fiscal year 2011-12. The District estimates that the OPEB Charge will, over the course of a 25-year period, result in approximately $150 million of deposits to the OPEB Trust, net of any interest earnings. The District will continue to collect the OPEB Charge, as well as implement a long-term plan of debt management and finance for the Post-Employment Benefit Program, including the conversion of the CARS to a more affordable form of debt.

The illustration below displays the relationships between the General Fund, OPEB Reserve Fund, and the OPEB Trust. The arrows and values represent the flow of funds for the fiscal year ending June 30, 2011. This illustration can also be found on page 19 of the document labeled "2011 – Taxable Revenue Bonds – Investor Presentation October 10, 2011" listed as evidence within this section.

District has put in place OPEB funding plan that addresses pay-go and AAL[1]

* Preliminary, subject to change.
(1) As of October 6, 2011.
(2) Budgeted OPEB Charge is included in the "Employee Benefits" line item under FY2011-12 Budget.
(3) Projected OPEB Reserve Fund Balance as of FY2011-12, taking into account the transfer of the OPEB Charge to the OPEB Trust. The District is under no obligation to maintain the OPEB Reserve Fund, nor to maintain any particular fund balance. The only funds which are restricted for use in connection with the Post-Employment Benefit program are deposits attributable to the OPEB Charge.
(4) Total debt service on the 2005 Bonds, Modified 2005 Bonds and 2009 Bonds due in FY2011-12 (not including effect of 2011 Bonds restructuring).
(5) "Pay-as-you-go" costs are included as a portion of the $37,988,186 Employee Benefits shown in FY2011-12 Budget.
(6) District reimbursement to general fund from OPEB Trust for "pay-as-you-go" Post-Employment Benefit costs.
(7) Market valuation of OPEB Trust as of June 30, 2011 valuation date.

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Long-term Sustainability

The District has taken great strides over the last year to address the issues and concerns raised by the PCCD Governing Board and ACCJC about the long-term sustainability and solvency of the OPEB Program. Two of the major achievements that will aid in the long-term sustainability of the program are the debt service restructuring that was completed on October 28, 2011 and the implementation of the OPEB Charge. As previously noted, the debt service restructuring will provide the District with budgetary relief of approximately $27 million over the next 5 fiscal years and the OPEB Charge created an ongoing and dedicated revenue stream that will over time fund the Actuarial Accrued Liability (AAL).

In an effort to project and measure the impact of the restructuring on the long-term fiscal solvency of the District's OPEB program, Neuberger Berman, the District's Investment Managers, conducted a series of simulations with the purpose of projecting the value of the assets held within the Revocable Trust at the end of 25 years. A summary of the results are below and can also be found on page 6 of the document labeled "OPEB Simulation Memo – May 2011" within the evidence contained at the end of this section.
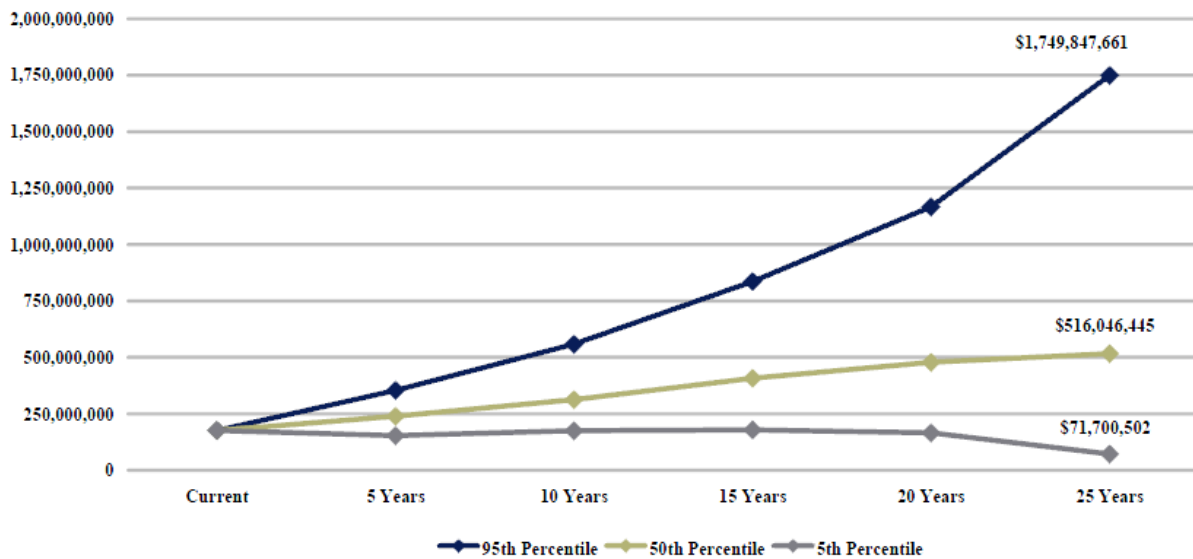
Nominal $

	Current	5 Years	10 Years	15 Years	20 Years	25 Years
95th Percentile	$175,770,516	$353,851,171	$558,648,121	$836,310,143	$1,166,498,127	$1,749,847,661
50th Percentile	$175,770,516	$239,080,757	$313,176,165	$407,036,118	$477,961,700	$516,046,445
5th Percentile	$175,770,516	$153,337,095	$174,634,353	$179,162,671	$165,463,371	$71,700,502

Real $, Adjusted for 2.5% Expected Inflation

	Current	5 Year	10 Year	15 Year	20 Year	25 Year
95th Percentile	$175,770,516	$312,752,874	$436,415,020	$577,443,349	$711,879,912	$943,861,362
50th Percentile	$175,770,516	$211,312,552	$244,652,720	$281,044,420	$291,686,138	$278,350,596
5th Percentile	$175,770,516	$135,527,649	$136,424,077	$123,705,653	$100,977,488	$38,674,576

Assuming a 7.1% average annual return on the assets held within the trust, an annual medical expense costs increase between 6.2 and 7.2% over the next 25 years (consistent with the most recent actuarial study), and the OPEB Charge is consistently applied, the estimated current value of the assets held in the trust is $278,350,596. This is $57 million greater than the AAL of $221,198,000 as of June 30, 2011. It is anticipated that any valuation in excess of the AAL will be used to satisfy the OPEB bond debt service obligations.

Evidence

1. Retirement Board Website
2. OPEB Presentation to the Board – March 29, 2011
3. OPEB Final Report – June 28, 2011- KNN
4. OPEB Definitions – June 28, 2011
5. OPEB Report Appendices – June 28, 2011
6. Board Resolution to Establish the Retirement Board – March 29, 2011
7. OPEB Trust Structure
8. General OPEB Plan Structure
9. Investment Policy as of March 29, 2011
10. Investment Strategy and Asset Allocation – September 2011 (1 of 3)
11. Investment Strategy and Asset Allocation – September 2011 (2 of 3)
12. Investment Strategy and Asset Allocation – September 2011 (3 or 3)
13. OPEB PCCD Summary Performance Slide – August 2011
14. OPEB Simulation Memo – May 2011
15. OPEB Scenarios as of 7-20-11
16. PCCD 2011 OPEB Refunding – September 9, 2011- Financing Schedule
17. PCCD GASB 45 Actuarial Valuation Final Results – June 30, 2011
18. Peralta 6-30-11 Portfolio Performance
19. Peralta 6-30-11 SRI Portfolio Performance
20. Peralta Monte Carlo and OPEB 5-10-2011
21. 2011 – Taxable Revenue Bonds – Investor Presentation October 10, 2011
22. NB Trust Company Report for Peralta 7-20-11
23. Sale of 2011 OPEB Refunding Bonds 9-27-11
24. Retirement Board Agenda 4-13-11
25. Retirement Board Agenda 5-11-11
26. Retirement Board Agenda 6-15-11
27. Retirement Board Agenda 7-11-11
28. Retirement Board Agenda 7-14-11 Closed Session
29. Retirement Board Agenda 7-20-11
30. Retirement Board Agenda 7-27-11
31. Retirement Board Agenda 8-20-11
32. Retirement Board Agenda 9-14-11
33. Retirement Board Agenda 10-13-11
34. Retirement Board Agenda 11-17-11
35. Board of Trustees Final Agenda 9-27-11

36. Neuberger Berman 9-14-11 Peralta Review
37. Retirement Board By-Laws 6-28-11
38. Retirement Board Advisory Committees
39. Peralta OPEB Investment Policy 6-30-2011
40. Peralta Socially Responsive Investing
41. Bartel and Associates Contract Extension
42. Bond and Disclosure Counsel Services RFQ
43. Bond Underwriting Services
44. Bond and Disclosure Counsel Services- Stradling, Yocca, Carlson, and Rauth
45. Peralta Community Colleges District Rating Letter 10-04-11
46. Peralta Community Colleges District Rating Report 10-04-11
47. Peralta CCD - Investor Presentation (10-10-11)
48. Retirement Board Agenda, December 8, 2011
49. Retirement Board Agenda January 26, 2012.

Response to Commission Recommendation 2

Commission Recommendation 2:
In accordance with Standard III.D.2.a, c, and g and Eligibility Requirement #18, the District needs to resolve outstanding audit findings identified in the Department of Education letter dated May 20, 2011 referring to Audit Control Number (CAN) 09-2009-10795. That letter identifies the findings for each of the four colleges as those findings relate to Department of Education areas of funded programs including Title IV and Financial Aid. Additionally, the District should resolve all audit findings in the Vavrineck, Trine, Day, & Co. LLP, Certified Public Accountants' audit reports for years 2008, 2009, and future audit reports issued after the date of this recommendation.

Response

Contained within the correspondence from the Department of Education regarding Audit Control Number 09-2009-10795 the Department of Education (DOE) memorialized previous communications between the DOE and the District's Vice Chancellor for Finance and Administration regarding audit finding 2009-31. Audit finding 2009-31 noted that the District had not closed its financial ledgers in a timely manner and that the audit had not been completed within nine months of the end of the fiscal year. Further, the auditor recommended that the District implement a reporting calendar that provides for timely closing of the District financial ledgers and completion of the audit and related required filings. This communication concludes with the DOE accepting the District's response that indicated that corrective actions were being taken to ensure compliance and would prevent the recurrence of this particular audit finding. Through the implementation of these corrective actions, the auditors noted within the District's 2010 annual audit report that this finding had been corrected and all corrective actions implemented (see page 24 & 25 of the Single Audit Report 2010). The PCCD has resolved the DOE's Audit Control Finding (09-2009-10795).

The District continues to make significant progress towards resolving all outstanding audit findings noted within the annual audited financial reports for the last four fiscal years (2008, 2009, 2010, and 2011). These findings represent items the external auditors determined, through the course of conducting their audit, involve deficiencies in internal controls that could result in material misstatements in the District's financial statements. Further, audit findings are then categorized in terms of severity either as Material Weaknesses (most severe) or Significant Deficiencies (least severe). Single audit findings specifically refer to instances noted by the auditor of noncompliance with regulations or funding terms and conditions within federal grant agreements.

The illustration below provides an overview of the number and type of findings reported within the last three annual financial reports.

Quantity and Types of Findings

	2010-11	2009-10	2008-09
Single Audit Findings	7[1]	9[2]	13[3]
Material Weaknesses	3	13	15
Significant Deficiencies	13	19	25
Total	23	41	53

1 - includes 2 Material Weaknesses and 5 Significant Deficiencies
2 - includes 4 Material Weaknesses and 5 Significant Deficiencies
3 - Includes 4 Material Weaknesses and 9 Siqnificant Deficiencies

Given that the fiscal year 2008-09 audit report was released on August 5, 2010, the District has expeditiously taken corrective action to address 36 audit findings within the period of 17 months. A breakdown of continuing and new findings is provided below.

Analysis of Findings

	2010-11	2009-10	2008-09
Number of continuing findings	17	34	26
Number of new findings	6	7	27
Total findings	23	41	53

In a determined effort, in addressing Recommendation 2 and Eligibility Requirement #18, the District has reduced the overall number of audit findings from 53 to 23; considerable focus and

effort have been made on correcting material weaknesses as they are more severe by nature and often require more resources and time to implement corrective action.

The District continues to track and monitor the status and progress made of each of the 23 remaining audit findings through the use of the Corrective Action Matrix (CAM). The CAM is a living document. That is, it is constantly changing to reflect the status and continual progress made towards resolving the various findings. The CAM also is used as a tool to assign accountability and responsibility (Responsibility/Point) to individual managers for implementing corrective action within a defined time frame (Due Date) to address findings. The CAM is provided next in this report.

The District is confident that with time and dedicated resources it will fully implement solutions to correct all existing audit findings that remain, in a manner similar to the progress that has been made within the last 17 months, as reflected by the recent (June 30, 2011) independent and external auditor's report.

Evidence

1. Annual Financial Audit Report 2008
2. Annual Financial Audit Report 2009
3. Annual Financial Audit Report 2010
4. Single Audit Report 2010
5. 2011 Audit Schedule Planning document
6. VTD Audit Letter – May 31, 2011
7. VTD Contract
8. Board 11-10-11 Special Workshop Agenda
9. Board Retreat Audit Training PPT 11-10-11
10. Asset Management Module Implementation 7-19-11
11. Asset Management Implementation 9-27-11
12. 311-A, 9-27-11
13. Department of Education and Report – May 20, 2011
14. VTD Audit Completion/ Confirmation Letter 12-27-11
15. Annual Financial Audit Report 2011

CORRECTIVE ACTION MATRIX

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
FINANCIAL STATEMENT FINDINGS					
2011-1 CONTROL ENVIRONMENT	Conduct ongoing training of personnel to help improve the internal control structure of the District with emphasis in areas such as financial aid accounting and college bursar's office.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor of Finance	June 30, 2012	The District has begun the process of creating new policies and procedures which will strengthen the existing control environment.	**In process** – a comprehensive District-wide effort to review existing and create new Board Policies and Administrative Procedures is underway. This task is estimated to take over a year and will include financial aid and college bursar's office procedures.
2011-2 (2010-8) CASH ACCOUNTS RECONCILIATIONS	Cash and Bank Accounts Reconciled Monthly	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2012	The District has implemented procedures calling for all cash accounts to be reconciled on a timely basis.	**Completed.** The District has implemented procedures that call for all bank accounts to be reconciled, reviewed and approved no later than 30 days following receipt of the bank statement. Ongoing monitoring and review of the implementation of this procedure is currently underway.

PERALTA COMMUNITY COLLEGE DISTRICT
CORRECTIVE ACTION MATRIX
PENDING ACTIONS

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2011-3 (2010-10) CAPITAL ASSET ACCOUNTING	Identify and Train Personnel in Accounting of Capital Assets	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2011	The Vice Chancellor For Finance & Administration is identifying and having trained personnel in the accounting and recording of capital assets (Refer to VTD Audit Response)	**Completed.** Training has occurred and the implementation of the capital asset accounting module was completed September 2011. Ongoing monitoring and evaluation is currently underway.
2011-4 (2010-15) ACCRUAL ACCOUNTS	Adequate Controls Over Year-End Closing Process. Training of District Staff on Accounting Principles.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2012	The PCCD will institute adequate controls and provide training to staff. (Refer to VTD Audit Response)	**Completed.** PeopleSoft training was conducted in December 2011 and additional training sessions are scheduled for January and February 2012. Further, fiscal year end closing checklists have been created and implemented.
2011-5 (2010-16) LOAD BANKING	Revise Policies to Conform with Current Internal Revenue Service (IRS) Section Regulations Regarding "Load Banking".	Responsible: Chancellor Point: Vice Chancellor For Finance & Administration and VC of HR	June 30, 2012	The PCCD is receiving annual load banking records to accrue the liability for year-end financial reporting. The PCCD policy will	**Ongoing** discussions with the faculty unions are in process to revise contract language to conform with IRS regulations.

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				be modified to eliminate the employee's option of cashing out their balance in whole or in part to comply with the IRS regulations. PCCD will engage a meet and confer process. (Refer to VTD Audit Response)	
2011-6 (2010-19) COLLEGE BUSINESS OFFICE ACTIVITY	Review Guidelines for Receipt and Use of General Fund Monies Deposited within the Accounts. All Activity Reconciled and Provided in a Timely Manner. Amounts within the Trust Fund Belonging to the District Forwarded to District with a Full Reconciliation and Accounting.	Responsible: Chancellor Point: Vice Chancellor For Finance & Administration	June 30, 2012	The PCCD will review the current guidelines and all activity will be reconciled in a timely manner. Trust funds will be forwarded with a reconciliation and accounting. (Refer to VTD Audit Response)	**Ongoing** Guidelines have been developed and distributed to the campus business managers outlining timelines for forwarding funds to the District. Training with College Business Managers and staff is ongoing.
2011-7 (2010-22) EMPLOYEE CONTRACTS	Employment Contracts and Salary Increases are Approved and Accepted by the Chancellor within a Week of the Employee's Acceptance.	Responsible: Chancellor Point: VC of HR/Vice Chancellor For Finance & Administration	On-Going	The PCCD will ensure that employment contracts and salary increases are approved and accepted by the Chancellor within 30 days of Employee's acceptance. (Refer to VTD Audit Response)	**Completed.** All employment contracts are in place for fiscal year 2011-12.

PERALTA COMMUNITY COLLEGE DISTRICT
CORRECTIVE ACTION MATRIX
PENDING ACTIONS

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2011-8 (2010-25) STUDENT FINANCIAL AID DISBURSEMENTS	Adopt, implement, and monitor procedures that will allow for the disbursement of payments to be completed in a way that mitigates the risk of unauthorized disbursements and ensures that payments are properly recorded (not through the use of trust accounts).	Responsible: Chancellor Point: Vice Chancellor for Finance and Administration and Vice Chancellor of Student Services	June 30, 2012	The District will develop and implement procedures and policies regarding all financial aid disbursements to ensure proper coding and discontinue the use of trust accounts within the financial aid disbursement process.	**In process** The development of procedures expected to be completed in Spring 2012. Further, analysis underway regarding utilization of PeopleSoft Student Financial Aid module.
2011-9 **ACCOUNTING FOR RESTRICTED REVENUE**	Correctly identify all restricted revenues by source (i.e. federal, state or local) and record appropriately within the general ledger.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2012	The District will implement procedures to ensure that Federal and State revenues (grants) are accurately reported within the general ledger.	**In process** Development of Administrative Procedures and operating procedures are underway.
2011-10 STUDENT ACCOUNTS RECEIVABLE	Create and implement procedures that separate the amounts owed to students due to overpayments from customary student receivables.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2012	The District has ceased the practice of aggregating all student accounts and will develop a procedure where such amounts due to students are separately reflected within the financial statements and	**In process** The creation of a policy separating student receivables from amounts due to students is underway.

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				audit reports. (Refer to VTD Audit Response)	
2011-11 DISTRICT RECEIPTING	Implementation of procedures that will ensure that all receipts are being properly receipted, accounted for, and deposited in a timely fashion.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2012	The District has completed the implementation of procedures that provides for the timely accounting and deposit of receipts.	**Completed.** Monitoring of the effectiveness of existing procedures underway.
2011-12 (Single Audit 2010-9) DRAW DOWNS	Adopt a Policy that Determines Procedures for drawing Down Federal Funds. Implement a Control to Ensure Proper Segregation of Duties over Drawing Down Funds and Verify Amounts are Reviewed and Approved.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	December 31, 2011	The PCCD will adopt a policy/administrative regulation that establishes a procedure for drawing down Federal funds. A control will be implemented to ensure segregation of duties and amounts will be reviewed and approved. (Refer to VTD Audit Response)	**Completed.** Procedure created and implemented. Training ongoing.

PERALTA COMMUNITY COLLEGE DISTRICT
CORRECTIVE ACTION MATRIX
PENDING ACTIONS

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
FEDERAL AWARD FINDINGS					
2011-13 (Single Audit – 2010-01) SCHEDULE EXPENDITURES OF FEDERAL AWARDS (SEFA)/SCHEDULE OF EXPENDITURES OF STATE AWARDS (SESA)	Review Procedures and Format Over Collection of Data in the SEFA/SESA to Ensure it Includes All Required Elements.	Responsible: Vice Chancellor of Finance Point: Associate Vice Chancellor of Finance	June 30, 2012	The PCCD will review its procedures and format over the collection of data to be included in the SEFA/SESA. (Refer to VTD Audit Response)	**In process** The Office of Finance is addressing all SEFA/SESA requirements.
2011-14 (Single Audit – 2010-02) TIME AND EFFORT REPORTING	Develop Procedures and Controls Over Compliance, Specifying How Time Certification Processes are to be Completed.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2012	The PCCD will assess the compliance risks to better develop appropriate compliance objectives and necessary controls. (Refer to VTD Audit Response)	**In process** The District released a Request for Qualifications seeking a vendor to assist with the implementation of the Time and Effort module within PeopleSoft. Implementation of this module will create and integrate within current business processes procedures and control for the collection of accurate data.

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2011-15 (Single Audit – 2010-06) PROCUREMENT, SUSPENSION, AND DEBARMENT	Verify Entities Contracted with for Services are not Suspended or Debarred.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2012	The District has implemented a procedure in which verification of the entities contracted with for services are not suspended, debarred, or otherwise excluded from providing services.	**Completed.** Procedure created and implemented. Training ongoing.
2011-16 (Single Audit – 2010-3) FINANCIAL REPORTING	Develop and Monitor Reporting Calendar to Document Timelines. Verify Actual Costs Recorded in the Financial System.	Responsible: Vice Chancellor For Finance & Administration Point: Associate Vice Chancellor for Finance	June 30, 2012	Reporting Calendar will be used to document timelines and monitor reporting timelines, including those for federal grants and programs. Reports will be reviewed to verify actual costs are recorded in the financial system.	**In process** The existing reporting calendar will be revised to incorporate the financial reporting requirements of federal grants and programs.

PERALTA COMMUNITY COLLEGE DISTRICT
CORRECTIVE ACTION MATRIX
PENDING ACTIONS

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2011-17 (Single Audit – 2010-5) EQUIPMENT MANAGEMENT	Physical Inventory of the Federally Purchased Equipment taken Bi-Annually – Reconciled – Written Procedures Prepared on Inventory Controls – Safeguarded and Accounted For.	Responsible: Vice Chancellor of Finance Point: Director of Purchasing and Contracts	June 30, 2012	Physical Inventory has been taken on a bi-annual basis and reconciled with records of purchases of the equipment. Formal Board Policy and Administrative Procedures currently in the approval process.	**Partial Completion.** A draft Board Policy and Administrative Policy has been developed that, among other things, specifically requires inventory observations on a bi-annual basis. These draft policies are currently going through the shared governance process. 2011 physical inventory completed with American Appraisal in June 2011.
2011-18 (Single Audit – 2010-8) RETURN TO TITLE IV	Accounting Policies Developed – Uniform Calculation Procedures – Routine Timelines – Reports Run in a Timely Manner and Provide Evidence that all Withdrawn Students are Identified and a Calculation Performed	Responsible: Chancellor Point: Vice Chancellor For Finance & Administration and Vice Chancellor of Student Services	June 30, 2012	Accounting policies have been developed to provide uniform calculation procedures for each of the colleges. Records will include support that the reports are run in a timely manner.	**In process.** Accounting and compliance policies and procedures are in the process of being implemented and communicated to all campuses.

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2011-19 (Single Audit – 2010-7) DIRECT LOANS	Implement procedures to ensure that the School Account Statement data file and the Loan Detail records per the COD are reconciled to financial records.	Responsible: Chancellor Point: Vice Chancellor For Finance & Administration	June 30, 2012	With the migration to Federal Direct Loans (DL) the Financial Aid SAFE system is now the method for DL reconciliation; no outside mechanism is currently used; DL originations are submitted through SAFE, origination records are accepted, funds are disbursed through SAFE and reconciled directly to COD via FTP of SAFE DL files.	**Partial Completion.** Reconciliation has been completed for 3 of the 4 colleges. Procedures and training for reconciliation of the remaining college will be completed in Spring of 2012.
		STATE AWARD FINDINGS			
2011-20 (2010-28) STUDENTS ACTIVELY	Program Written to Allow Admissions and Records Office to Identify the Rosters that has not Properly Turned in by Instructors. Admissions and Records Office Follow-Up with Instructors on Requirements to Identify	Responsible: Chancellor Point: Vice Chancellor of Educational Services, Vice Chancellor of Student Services and Vice Chancellor of Finance	June 30, 2012	Program will be written to allow Admission and Records Office to identify the rosters that have been turned in by the instructors to determine completeness and	**Partial Completion.** Training by Staff Development Coordinator of Faculty on correct use of rosters and grade reports. Regular follow up

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
ENROLLED	Students who are not Enrolled.			accuracy.	with instructional staff and administration on the campus. Regular reports distributed to Presidents
2011-21 CONCURRENT ENROLLMENT	Update Admissions and Records system and processes so that all students are removed from concurrently enrolled status once the student reaches the age of 18 years. Exceptions will be handled on a case by case basis.	Responsible: Chancellor Point: Vice Chancellor of Educational Services	June 30, 2012	Changes have been made so that all students taking in excess of 11 units will be assessed all customary fees.	**Partial Completion.** Meetings have been held with program managers with responsibilities over affected programs to educate them of state requirements.
2011-22 (2010-27) CALWORKS – REPORTING	Timelines of Required Categorical Reporting must be Documented and Sent to all Program Directors – Supervisory Personnel to Ensure Reporting is Complete and Accurate. General Ledger is Posted Timely and Accurately for all Categorical Programs to Ensure Accuracy of Reporting.	Responsible: Chancellor Point: Vice Chancellor of Educational Services	June 30, 2012	Documentation of categorical reporting will occur and will be forwarded to all program directors. Accurate and timely financial reports have been sent out on a monthly basis to supervisory personnel since Fall 2010.	Training of staff and Vice Presidents of Student Services on accurate collection of student data.
2011-23 EXTENDED OPPORTUNITY PROGRAMS AND SERVICES (EOPS)	Develop and implement procedures to review and identify EOPS students who are over the maximum number of units.	Responsible: Chancellor Point: Vice Chancellor of Educational Services	June 30, 2012	Training will be conducted reminding staff of state eligibility requirements and procedures are in the process of being developed	**Partial Completion.** Procedures are in the process of being developed and communicated to

Auditing/ Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				that will ensure individual participating in the EOPS program do not exceed the state allowable number of units.	all campuses.

Response to Commission Recommendation 3

Commission Recommendation 3:
While evidence identifies progress, the District has not achieved compliance with Standard III.D and Eligibility Requirement #17. Specifically, the District has not achieved a long-term fiscal stability related to resolution of collective bargaining agreements on compensation and post-retirement benefits. Therefore, in order to meet the Standards and the Eligibility Requirements, the District must assess its fiscal capacity and stability and implement actions to resolve the deficiencies.

Response

In accordance with Accreditation Standard III.D and Eligibility Requirement # 17, the Peralta Community College District (PCCD) has made significant progress in preparing accurate and timely financial and apportionment reports.

During the fall 2010, the PCCD created and has maintained a Financial Activity and Report Calendar (1). This calendar was taken to the District's Audit and Finance Committee on October 14, 2010 for review and input. It also was taken to the PCCD Board of Trustees on October 26, 2010, for review and discussion (2). The District will continue to adhere to the Financial Activity and Report Calendar. Since March 2010, the PCCD has complied with all CCFS-311Q date reporting timelines.

The PCCD has made significant progress regarding all local, State and Federal fiscal reports. On June 28, 2011, the PCCD Governing Board adopted the tentative budget, prior to the July 1, 2011 State deadline. The 2011-12 Final Budget was unanimously adopted by the PCCD Board of Trustees on September 13, 2011 (3). Included in this adoption are the "Principles of Sound Fiscal Management" (California Code of Regulations, Title 5, Section 58311). These principles help promote an environment for growth, productivity, self-actualization, progress, and sound fiscal management. The "Principles of Sound Fiscal Management" also is a structure of basic State tenets that help secure resources for planning and resource allocation. Related to fiscal capacity and stability, the PCCD submitted the 311-A to the Board of Trustees on September 27, 2011 and to the State in a timely manner prior to the October 10, 2011 deadline. PCCD closed its financial statements prior to November 1, 2011. The annual independent and external audit for PCCD for June 2010 and 2011 were filed on time.

The District filed its Federal Student Aid "eZ" Audit in a timely manner. For Fiscal Year ending 06/30/10, the District submitted the audit on 03/30/2011. For the Fiscal Year ending 06/30/11, the District submitted the audit on 01/04/2012. IPEDS was filed in a timely manner for fiscal year 2010-2011.

Quarterly financial status reports are being submitted accurately and on time. The Quarter ending September 30, 2010, (Q1) - CCFS-311Q was certified and filed with the State Chancellor's Office on November 16, 2010.

The Quarter ending December 31, 2010, (Q2) - CCFS-311Q was certified and filed with the State Chancellor's Office on February 7, 2011. The Quarter Ending March 31, 2011, (Q3) - CCFS-311Q was certified and filed with the State Chancellor's Office on April 14, 2011. The Quarter Ending June 30, 2011, (Q4) - CCFS-311Q was certified and filed with the State Chancellor's Office on August 12, 2011. The Quarter Ending September 30, 2011, (Q1) - CCFS-311Q was certified and filed with the State Chancellor's Office on November 3, 2011.

Quarterly financial reports are being submitted on time, and as such, PCCD is current on all required filings. As further evidence of timely financial reporting, the VTD audit report ending June 30, 2011, reflects that the "Material Weaknesses" relative to Quarterly Financial Reporting, referenced as 2010-2, page 102, has been "Implemented."

The PCCD Strategic Goals and Institutional Outcomes for 2011-12 were adopted in August 2011. The focus of these goals and outcomes are on student success in the core educational functions of basic skills, transfer, and CTE.

Specific to long term fiscal capacity and stability is, **Strategic Goal E**: "Develop and Manage Resources to Advance Our Core Mission".

E.1 FTES Target: Achieve FTES target within the state allocation for the district of 18,500 FTES and attain a productivity level of at least 17.5 FTES/FTEF. *(to be re-evaluated if State budget triggers further reductions).

E.2 Focus Budgeting on Improving Student Success through Support for Structural Changes: Respond to projected state deficits and budget cuts by designing budgets in keeping with the district Budget Allocation Model that a) are based on program review and strategic directions; b) improve student success through support for structural change; c) create efficiencies by sharing of positions, facilities and other resources within and across the colleges; d) consider the total cost of programs and support activities; e) shift resources to core educational functions; and f) continue to increase alternative funding sources.

E.3 Fiscal Stability: Continue comprehensive improvements to the financial management systems of the district and make budget and finance information transparent and accessible to internal stakeholders. Ensure expenditures for all cost centers stay within the established budget to maintain a balanced budget.

Strategic Goal B: "Engage and Leverage Partners." This goal also is important to long-term fiscal capacity and stability. The specific institutional outcome being addressed is -

B.1 Partnerships: Leverage, align, and expand (i.e., community, business) partnerships to improve student learning and success in core educational functions.

The PCCD is pleased with its efforts in improving the number of positions and skill level in the district Office of Finance relative to fiscal capacity and stability. The District recognizes and provides evidence below that it must continue to focus on issues of long-term fiscal capacity and stability in leadership, fiscal services, and human resources to ensure institutional integrity. To

this end, PCCD continues to stabilize its leadership in the District Office of Finance, as well as at the site level.

Beginning with the appointment of the Vice Chancellor of Finance and Administration on July 19, 2010, who has provided strong and substantive leadership, the PCCD has filled the following positions:

- Internal Auditor – On April 4, 2011 the PCCD hired an Internal Auditor. This individual focuses on the following duties and responsibilities:
    - ➢ Plans and directs the district-wide internal audit program;
    - ➢ Conducts internal audits and special audits as requested by the district management;
    - ➢ Examines financial aid records, procedures, operational and accounting systems of the district and colleges; and
    - ➢ Determines compliance with district policies and government regulations.

- Budget Director – On May 1, 2011 the PCCD hired a Budget Director. This individual focuses on the following duties and responsibilities:
    - ➢ Administration and supervision of the district's accounts payable and accounting services;
    - ➢ Monitors the daily business and financial operations; and
    - ➢ Provides support for budget development and oversight of the execution of the annual final budget.

- Associate Vice Chancellor for Finance – On December 6, 2011, the PCCD Board of Trustees considered and approved the employment/appointment of the Acting Associate Vice Chancellor for Finance. This individual reports directly to the Vice Chancellor for Finance and works collaboratively with the College Business Managers on fiscal matters. This individual's duties include the following duties and responsibilities:
    - ➢ Provides reports, statistical and financial data for budget monitoring and development.
    - ➢ Meets regularly with the college Business and Administrative Services Managers and makes recommendations on matters of budget development, implementation and administration.
    - ➢ Provides for accurate and appropriate compliance with all State, Federal and local laws, Board Policies and regulations governing the financial operation of the district.
    - ➢ Directs the proper use of all Financial Services functions and insures the proper application of internal control processes.

- IT – On July 5, 2011 the PCCD hired a Chief Administrative Officer, Technology and Information Systems. This individual's duties include the following duties and responsibilities:
    - ➢ Provides leadership for technology-related initiatives and services;
    - ➢ Helps plan and implement site information technology infrastructure upgrades; and
    - ➢ Develops and disseminates policies, standards, and procedures related to information technology.

The PCCD's Planning and Budgeting Integration Model (PBIM), was initially implemented in August 2009 (Administrative Procedure 2.20). PBIM establishes an effective district-wide committee structure that streamlines and clarifies the process for developing recommendations leading to decision making. A major goal of the PBIM is to integrate planning and budgeting across the four colleges and district office service centers. Examples of functional responsibilities and the process for decision making include the following:

- District-Wide Advisory Committees

The PBIM is an integrated district-wide planning and budget advisory system of four committees (District Technology Committee, District Facilities Committee, District Education Committee, and District Planning and Budgeting Council) that receive planning inputs from the colleges and make recommendations to the Chancellor.

Materials/documents for the four PBI committees can be found at
http://web.peralta.edu/pbi/

- District Technology Committee (DTC)

The DTC is focusing on the following for the 2011-2012 academic year: Establish a technology/ computer refresh policy for the district and get Board approval - the policy should include equipment standards, leasing options and timelines; establish viable and efficient procurement IT process; establish identity/authentication management policies and procedures, and implement technology to support that; institutionalize Distance Education at the district level; institutionalize use of end-device management system at multiple levels; develop transparent ongoing process for budget and technology planning and allocation; develop a system for designating and moving surplus electronics; standardize tech support structures across all colleges (guidelines for minimum number of support based on college needs); elevate technology use throughout the district (including support for students with disabilities); and clarify intellectual property rights, especially as it pertains to Distance Education and lecture capture.

- District Facilities Committee (DFC)

The DTC has set five goals for the 2011-2012 academic year, which are as follows: Continue to increase communication to stakeholders; assist stakeholders in understanding the Facilities Planning Process; discuss Flexible Dynamic Plan Strategies in order to align District implementation and resources with College/District issues and needs; conduct an evaluation and update of Facilities Master Plans district-wide; and work on developing a new facilities bond.

- District Education Committee (DEC)

The DEC for the 2011-2012 academic year is focusing on the following: continue with district-wide assessment meetings; continue to address basic skills and accelerated learning models; share college strengths and best practices; improve basic skills and CTE instructional delivery; address SB 1440 and TMC degrees; through the assessment process, focus on the cycle of continuous improvement; articulate committee outcomes; support learning outcomes assessment; recommend mechanisms and criteria to address fiscal issues impacting enrollment management; promote a spirit of collaboration among the colleges; address equity through Equity Plans and equity measures in assessment of learning outcomes; highlight, analyze, promote and disseminate successful programs from within and outside the institution; focus district planning

on Annual Program Review updates from the colleges and Service Area Reviews from the district office.

- Planning and Budgeting Council (PBC)

Key items and milestones for the PBC in the 2011-2012 academic year are as follows: provide regular fiscal updates; set budget assumptions for 2012-2013; review the external audit report; review proposed board policies and administrative procedures and make recommendations to the Chancellor; set a budget building calendar for 2012-2013; take action on items referred from the other three committees; review and update (as necessary) the Budget Allocation Model; review the college Annual Unit Plan summaries and the District Office Service Center Plans for planning and action (as appropriate); review college 2012-2013 Annual Plans and draft budgets; review new IT strategic plan; address strategic planning to resolve the impact of Workload Reductions; review Benchmark Survey/Comparison to other community college districts; and evaluate the PBIM planning process and make any needed changes.

The foundation of the PBI process is the District-wide Strategic Plan's five goals and the associated short-term objectives identified by the Chancellor with input from the colleges and district. Each college president is responsible for ensuring that their college plan addresses institutional objectives that meet the strategic goals. Specific to fiscal stability and capacity (as noted above, for Strategic Goal E. Develop and Manage Resources to Advance Our Mission), the institutional objectives for 2011-2012 include the following:

E.1 **FTES Target**: Achieve FTES target within the state allocation for the district of 18,500 FTES and attain a productivity level of at least 17.5 FTES/FTEF. *(to be re-evaluated if state budget triggers further reductions).

E.2 **Focus Budgeting on Improving Student Success through Support for Structural Changes:** Respond to projected state deficits and budget cuts by designing budgets in keeping with the district Budget Allocation Model that a) are based on program review and strategic directions; b) improve student success through support for structural change; c) create efficiencies by sharing of positions, facilities and other resources within and across the colleges; d) consider the total cost of programs and support activities; e) shift resources to core educational functions; and f) continue to increase alternative funding sources.

E.3 **Fiscal Stability:** Continue comprehensive improvements to the financial management systems of the district and make budget and finance information transparent and accessible to internal stakeholders. Ensure expenditures for all cost centers stay within the established budget to maintain a balanced budget.

Improved budgeting practices have allowed the PCCD to respond to reductions in State funding. Over the past two fiscal years, the PCCD has made operating budget reductions in excess of $15.5 million. These cuts have included expenditure and workload reductions, administrative reorganization, staffing reductions, and reductions to instructional hours. The PCCD's adopted budget for fiscal year 2011-12 included an additional $5 million of such budgetary reductions, primarily through workload reductions. As a result, the PCCD's 2011-12 budget is balanced,

addresses long-term stability, and provides for a contingency reserve of more than 5% of general fund expenditures.

The following are the budget reductions for the 2011-2012 fiscal year:

OPEB debt service restructure	$2.5 million
Increase in transfers in from OPEB trust	$4.2 million
Discretionary Budget Reductions	

- District Office — $1,500,000
- College of Alameda — $272,000
- Laney College — $568,000
- Merritt College — $251,000
- Berkeley City College — $130,000
- Total — $2.7 million

Instructional hourly reduction	$1 million
Administrative reorganization	$ .67 million
Total budget solutions	$11 million

As further evidence of long-term fiscal stability, the VTD audit report ending June 30, 2011, reflects that the "material weaknesses" relative to District Budget Monitoring referenced as 2010-1, page 101, has been "Implemented".

Other Post-Employment Benefits (OPEB)

On March 21, 2011, the actuarial study was finalized by the actuarial firm, Bartel and Associates. This study was presented to the Board of Trustees at the March 29, 2011 Board meeting. Consistent with the requirements of the Governmental Accounting Standards Board (GASB) Number 45, this actuarial provided the PCCD with the estimated present value of liability for current and future retirees for the District.

In response to recommendations from the ACCJC and the District's own internal analysis, the PCCD is addressing the long term stability of the OPEB. On April 13, 2011, the reconstituted Peralta Community College District/OPEB Trust Retirement Board began meeting. At that meeting, the By-laws and Charter were approved. Vice Chancellor Gerhard (CFO) was elected as Chair of the Retirement Board and PCCD Trustee Withrow was elected Vice Chair. The Retirement Board also took action to appoint Union Bank as the Trustee/Custodian, Neuberger Berman as the Investment Manager, and KNN as the Financial Advisor. The PCCD's CFO was appointed to be the Program Coordinator. The Retirement Board currently is meeting once a month to review the OPEB Trust investment results and strategies. Additionally, the PCCD has retained experienced consultants to provide advice on managing the debt associated with the 2005 OPEB Bonds and the SWAP Agreements.

Two important recommendations came out of the initial Retirement Board meeting that addresses long-term fiscal stability and capacity relative to the OPEB:

1. Restructure the near term (1-5 years) principal and interest payments on the bonds. The intent being to provide near-term operating budget relief. As evidenced by the September 27, 2011, Board minutes, the PCCD Board voted in favor of approving Resolution 11/12/17, authorizing the sale of 2011 OPEB bonds. This action as reflected by the minutes, gave budgetary relief on the General Fund.
2. Terminate the B-1 SWAP agreement, a recommendation also suggested by the PCCD's SWAP advisor. The PCCD is currently working with Morgan Stanley regarding the restructuring of the SWAPS.

The Retirement Board agendas and minutes are posted on the PCCD website at this address: (http://web.peralta.edu/trustees/board-committees/retirement-board/).

Effective July 1, 2010 the PCCD implemented an Other Post-Employment Benefits (OPEB) charge to all programs at a rate of 12.5% of gross payroll. The revenues come into this fund and ultimately will be transferred into the OPEB trust. The PCCD also has devoted additional resources to fund the gap between the OPEB Trust assets and the District's actuarially-determined Actuarial Accrued Liability (AAL). As of June 30, 2011, as a result of a multi-year savings plan, the estimated actual balance held in the District's OPEB Reserve Fund exceeded $14,000,000.00. These amounts are available to pay SWAP Agreement termination payments, debt service on the 2005 Bonds or on the Bonds, or on current benefits owed to retirees. Further, beginning in fiscal year 2010-11, the District implemented an internal Post-Employment Benefit payroll charge (the "OPEB Charge"). The OPEB Charge is a uniformly applied District paid charge to categorical programs of the District for categorically funded active employees and is a function of the currently projected ARC, calculated as a percentage of payroll. For fiscal year 2010-11, the OPEB Charge is estimated to have raised over $6 million of additional funds into the OPEB Trust. The PCCD expects that the OPEB Trust will, over the course of a 25 year period, introduce more than $150 million in assets to assist in fully funding the AAL (Actuarial Accrued Liability). The District will continue to implement this charge as well as implement a long-term plan of debt management and finance for the OPEB.

Status of Negotiations

On March 29, 2011, the Peralta Board of Trustees approved a Side Letter of Agreement for the extension of the Collective Bargaining Agreement between the Peralta Community College District and the Peralta Federation Teachers through June 30, 2012. It was also agreed that the parties entering this agreement had a mutual interest in negotiating a fiscally sustainable health and welfare plan to be effective July 1, 2012, while providing employees and their eligible dependents with affordable health coverage.

On May 24, 2011, the Peralta Board of Trustees approved a Tentative Agreement for a One-Year Agreement of the Collective Bargaining Agreement between the Peralta Community College District and the SEIU Local 1021 Permanent Employees from July 1, 2011 through June 30, 2012. It was also agreed that both parties are committed to negotiating a long-term health benefits structure that has long-term fiscal sustainability to be effective July 1, 2012, while providing employees and their eligible dependents with affordable health coverage.

On June 14, 2011, the Peralta Board of Trustees (PFT) approved a Tentative Agreement for a One-Year Agreement of the Collective Bargaining Agreement between the Peralta Community college District and the IUOE Local 39 Permanent Employees from July 1, 2011, through June 30, 2012. It was also agreed that both parties are committed to negotiating a long-term health benefits structure that has long-term fiscal sustainability to be effective July 1, 2012, while providing employees and their eligible dependents with affordable health coverage.

Subsequent to this Board action, the PCCD shared with all three employee groups, the following District interests regarding the Health and Dental Plan:

1. Containing the District's interest for providing health and welfare benefits, including dental.
2. Providing a mechanism for employees to contribute to the cost to their health plan depending on their benefits selection.
3. Providing employees with at least one free health plan for the employee and their eligible dependents, and possibly an additional free plan or at a nominal cost for the employees and their eligible dependents.

On October 31, 2011, at a scheduled negotiations session, the District presented a proposed health plan option to the PFT, for purposes of negotiating an agreement between PFT and the District.

On November 1, 2011, at a scheduled negotiations session, the District presented a proposed health plan option to the SEIU Local 1021, for purposes of negotiating an agreement between SEIU Local 1021 and the District.

On November 1, 2011, at a scheduled negotiations session, the District presented a proposed health plan option to the IUOE Local 39, for purposes of negotiating an agreement between SEIU Local 1021 and the District.

The District continues to work in a collaborative and collegial manner with all three employee groups in being able to provide affordable health coverage in concert with long term fiscal stability. The following schedule demonstrates the number of negotiation meeting held regarding this effort.

Contract Negotiations Calendar

PFT	SEIU Local 1021	IUOE Local 39
	Prior Meeting Dates	
11/23/2010	10/25/2010 (Impact Bargaining)	12/8/2010 IBB Training
12/13/2010	1/26/2011	12/9/2010 IBB Training
1/20/2011	2/09/2011 (IBB Training) Invitation	1/13/2011
2/09/2011 (IBB Training)	2/10/2011 (IBB Training) Invitation	1/27/2011
2/10/2011 (IBB Training)	2/16/2011	2/14/2011
2/17/2011	3/2/2011	3/3/2011
2/23/2011	3/16/2011	3/25/2011
3/8/2011	4/5/2011	4/14/2011
3/21/2011	4/11/2011	4/28/2011
4/8/2011	4/19/2011	5/9/2011
4/25/2011	5/17/2011	6/9/2011
5/13/2011	5/23/2011	9/29/2011
6/24/2011	10/11/2011	10/3/2011
7/6/2011	11/1/2011	10/25/2011
8/16/2011	11/21/2011	11/1/2011
9/9/2011	11/28/2011	11/22/2011
9/28/2011	12/12/2011	12/13/2011
10/4/2011		
10/31/2011		
11/22/2011		

11/28/2011		
12/5/2011		
12/19/2011		
Future Meeting Dates		
1/17/2012	1/10/2012	1/5/2012
2/7/2012	1/24/2012	1/26/2012

Status of Audit Findings

The District tracks all audit findings through the Corrective Action Matrix, as further discussed and provided within Recommendation 2. As reflected by the following chart, the District continues to demonstrate improved progress with the number of findings and the degree of findings. Of the thirteen (13) Material Weaknesses noted in the 2009-2010 audit, the District has implemented nine (9) of the recommendations and have partially implemented two (2). The District continues to make progress on the remaining two (2) items. Of the twenty-three (23) Significant Deficiencies noted in the 2009-2010 audit, the District has implemented ten (10) of the recommendations and has partially implemented three (3). The District continues to make progress on the remaining ten (10) items.

Quantity and Types of Findings

	2010-11	2009-10	2008-09
Single Audit Findings	7[1]	9[2]	13[3]
Material Weaknesses	3	13	15
Significant Deficiencies	13	19	25
Total	23	41	53

1 - includes 2 Material Weaknesses and 5 Significant Deficiencies
2 - includes 4 Material Weaknesses and 5 Significant Deficiencies
3 - Includes 4 Material Weaknesses and 9 Significant Deficiencies

As noted above, the District continues to make significant progress in addressing the total number of audit findings, moving from a total of 53 audit findings in 2008-09, to 23 audit findings in 2010-11. Of particular note, is the progress made relative to the number of Material Weaknesses (15) in 2008-09, to (5), in 2010-11.

For the 2010-2011 fiscal year, the auditors completed their audit work on November 10, 2011. The District received a draft on November 28, 2011, and a final audit on December 20, 2011. The Audit was filed in a timely manner with the State Chancellor's Office of the California Community Colleges and other recipient agencies on December 27, 2011. The Peralta Governing Board received and filed the audit report on January 24, 2011. The December 27, 2011, VTD letter is included in the Evidence documents for this recommendation.

The District also filed their Federal Student Aid "eZ" Audit in a timely manner. For Fiscal Year ending 06/30/10, the District submitted the audit on 03/30/2011. For Fiscal Year ending 06/30/11, the District submitted the audit on 01/04/2012. IPEDS was filed in a timely manner for fiscal year 2010-2011.

Evidence

1. Financial Activity Calendar
2. Board of Trustees Agenda 10-26-10
3. Board of Trustees Agenda 9-13-11
4. PCCD-Bartel GASB-45-Actuarial-Valuation-Final-Results
5. DOCSSF_83687v2 - Final OS [Peralta CCD (2011 OPEB Refunding Bonds)] (District Management Discussion)
6. Internal Auditor Job Description
7. Budget Director Job Description
8. Associate Vice Chancellor for Finance Job Description
9. CAO - Technology and Information System Job Description
10. VTD Audit Completion/Confirmation Letter 12-27-11
11. Board of Trustees Minutes September 27, 2011
12. Board of Trustees - final agenda 9-27-11
13. Board of Trustees Meeting Agenda- March 29, 2011
14. Board of Trustees Meeting - April 12, 2011

Response to Commission Recommendation 4

Commission Recommendation 4:
While evidence identifies progress, the District has not achieved compliance with Standard IV.B and Eligibility Requirement #3. Specifically, the District has not completed the evaluation of Board policies to the end of maintaining policies that are appropriate to policy governance and excluding policies that inappropriately reflect administrative operations. Therefore, in order to meet Standards and Eligibility Requirements, the District must evaluate all Board policies and implement actions to resolve deficiencies.

Response

Introduction and Review of the Approach prior to April 2011

The following information informs the reader of the approach the Peralta Community College District, prior to April 2011, utilized to review and evaluate all Board policies and administrative procedures. This process was reported in the April 1, 2011 Follow-Up Report which was sent to ACCJC. As a result of the Commission's recent recommendation regarding this matter, the Peralta Community College District in July 2011 implemented a more comprehensive approach to provide resolution to this recommendation. The current/revised approach is narrated in the next section, "Action since April 2011."

 In the April 1, 2011 Follow-Up Report it was reported that the Chancellor of the Peralta Community College District would lead the effort to continue the review of Board policies and to see that administrative procedures, which may be a part of policy, are separated out into distinct administrative procedures documents. In order to review and implement this plan, the Chancellor worked with the five Vice Chancellors and General Counsel. The Chancellor viewed this process as an ongoing effort given the number of policies in place at that time and the ongoing potential that a new policy could be required.

At the time of the previous Follow-Up Report (April 2011), the Peralta Community College District Board Policy Manual was comprised of ten (10) chapters, as follows, and the lead for review was reported as follows:

Chapter 1: Board of Trustees (23 policies)
       [Lead: Chancellor]
Chapter 2: Organization for Administration (15 policies)
       [Lead: Chancellor and General Counsel]
Chapter 3: Personnel (57 policies)
       [Lead: Vice Chancellor of Human Resources]
Chapter 4: Student Personnel Services (34 policies)
       [Lead: Vice Chancellor of Student Services]
Chapter 5: Educational Services (22 policies)
       [Lead: Vice Chancellor of Educational Services]
Chapter 6: Business Services (49 policies)

[Leads: Vice Chancellor of Finance and Administration and the Vice Chancellor of General Services]

Chapter 7: Board Policy related to Matriculation (18 policies)
[Leads: Vice Chancellor of Educational Services and Vice Chancellor of Student Services]

Chapter 8: Due Process (1 policy)
[Lead: Vice Chancellor of Human Resources and General Counsel]

Chapter 9: Prerequisites, Co-requisites, Advisories and other Limitations on Enrollment (2 policies)
[Lead: Vice Chancellor of Educational Services]

Chapter 10: Disproportionate Impact (2 policies)
[Leads: Vice Chancellor of Educational Services and Vice Chancellor of Student Services]

It was noted in the April 2011 report that in this review process, there were some policies which needed to be moved to different chapters based on the purpose of the chapter and some policies which could be eliminated given the purpose of the policy. Further, the first six (6) chapters were to be the main focus of the Chancellor's plan of action (prior to April 2011). In terms of Chapter 7, there had been no changes to the Title 5 requirements for Matriculation and the "Model District Policy" which Peralta adopted. In terms of Chapter 9, there had been no recent changes in Title 5 requirements for Prerequisites, Co-requisites, or Advisories, but some were anticipated. Chapter 10 would need to be reviewed to determine if a policy is needed given Title 5 regulations which address disproportionate impact. The one policy in Chapter 8 was suggested to be moved to Chapter 3.

The Chancellor, working with his staff, had developed a new policy that addressed the distinction between policies and administrative procedures as recommended in the previous ACCJC Recommendation 3 (Board Policies) [1-31-11]. This new Policy and Administrative Procedure clearly separates administrative procedures from policy. As noted in April 2011, this policy and administrative procedure, was submitted for review and discussion to the Governing Board at its March 15, 2011 meeting and was formally adopted at the March 29, 2011 Board meeting (BP 1.25, which is now BP 2410). The Chancellor also submitted this draft Policy and Administrative Procedure to the district's Planning and Budgeting Council to incorporate the "shared governance process". In the April 2011 Follow-Up Report, it was noted that a review would occur by the Chancellor and/or his staff of the current policies and administrative procedures to determine whether the current policies are consistent with the District's own policy on this matter, as well as the accreditation requirements, federal requirements, and California Education Code and Title 5 regulations.

On page 8 of the Evaluation Team's Follow-Up Visit Report (April 2011), it was stated that "employees are aware of the efforts to improve the Board policy manual so that there is a clear distinction between policies and administrative regulations. The team was able to confirm that college administrators are consulted on a regular basis with respect to policy changes... Board policy and administrative regulations are being separated and were reported as a work in progress... There are ten chapters in the Board policy manual and each chapter has been

assigned to a Vice Chancellor who oversees separation and delineation of policy and administrative regulation."

"College personnel understand the process that has been put in place and how it relates to distinguishing between Board policies and the operation of the district office and colleges. The documents reviewed outlined processes and procedures that support the district and Board response to this recommendation. The recommendation resulted in the development of a Board policy to clearly outline their clarified policy role. The district has made great strides in this area."

"The district has met this recommendation. The team suggests that self evaluation and periodic review of new Board policies will be essential if this progress is to continue."

Action since April 2011

As the April 2011 visiting evaluation team reported, on March 29, 2011 the Governing Board approved Board Policy 1.25, Policy Development (now BP 2410). In doing so, the Governing Board affirmed that "Board Policies are statements or intent/guidelines which are adopted by the Board of Trustees to be used by the administration in the development of regulations and procedures for operating the District." Further, "Administrative Procedures are to be issued by the Chancellor as statements of regulations, rules and practices to be used in implementing Board Policy."

In an effort to move the review process along and to revise, and in many instances update, Board Policies and District Administrative Procedures, the Chancellor appointed a special advisor, who also is a member of the PCCD's Recovery Team, to provide leadership and to work collegially and collaboratively with the various District stakeholders in this effort. The special advisor works with the District Board of Trustees, the Chancellor, the district Fiscal Advisor, and other stakeholders in this review process. The special advisor reviewed the original approach that was addressed in the April 1, 2011 Follow-Up Report and recommended to the Chancellor, that the District take a more appropriate ACCJC standards based approach to the review and development process.

In early July 2011, the special advisor made the following recommendations to the Chancellor: "All board policies will be reviewed. Each policy will be adapted to the approach used by the Community College League of California (CCLC) by their Policies and Procedure Services department."

"With each chapter, the following will occur:
1. The League numbering and naming system will be used to organize and structure the policies.
2. The League language and approach for each policy will form the basis for the development of the replacement policy language.
3. The format, style, and fonts will be standardized for all policies and procedures.
4. Existing district policy language that covers policy matters absent from the League template will be included in the replacement policies.

5. Existing district policy language that is 'appropriately administrative operations' will be moved to either:
   A. An Administrative Procedure or
   B. The Board of Trustees page on the web site for informational purposes."

The special advisor recommended a timelier, collaborative, and focused approach to the policy and district administrative procedures review process. As such, the special advisor recommended a review of sets of policies/district administrative procedures, instead of one item at a time.

In aligning Board policies and District Administrative Procedures with the CCLC method, there would now be seven (7) chapters for policies and procedures as follows:

Chapter 1: The District
Chapter 2: The Board of Trustees
Chapter 3: General Institution
Chapter 4: Academic Affairs
Chapter 5: Student Services
Chapter 6: Business and Fiscal Affairs
Chapter 7: Human Resources

The special advisor included seven (7) new or updated policies in an effort to provide concrete examples of how this process would move forward. For information purposes, those seven policies are as follows:

- BP 1100 **The Peralta Community College District**
  No previous board policy on this subject exists
- BP 1200 **Mission**
  Replaces policy 1.24 **Mission of the Peralta Community College District.**
  Changes title, number, and format only.
- BP 2010 **Board Membership**
  Replaces a portion of policy 1.01 **Membership**
  Changes the title, number, and format. League language and content used.
  The district's legacy policy is replaced by BP 2010, BP 2100, and BP 2110.
  Administrative material (description of Board of Trustee's areas) moved to Website.
- BP 2014 **Student Members**
  Changes title, number, and format only.
- BP 2100 **Board Elections**
  Replaces a portion of policy 1.01 **Membership**
  Changes the title, number, and format. League and district language and content used.
- BP 2110 **Vacancies on the Board**
  Replaces a portion of policy 1.01 **Membership**
  Changes the title, number, and format. League and district language and content used.
- AP 2110 **Vacancies on the Board**
  New procedure, League language used.

This information provides a detailed perspective on the Policy and District Administrative Procedures review and revision process that is now embraced and implemented in the Peralta Community College District.

In July 2011, The Chancellor accepted and moved forward the special advisor's recommendations regarding this process. The Chancellor took the proposal to the Strategic Management Team (SMT, composed of the five Vice Chancellors, General Counsel, and the four College Presidents) for the collaborative and collegial process. On July 28, 2010, the SMT endorsed and supported the Chancellor's proposal.

On August 17, 2011, at a District-wide Flex Day, the Chancellor, in reporting on the current ACCJC recommendations, provided information about the agreed upon policy review and revision process. Further, on August 26, 2011 at the Planning and Budgeting Integration Model Third Annual Summit, the Chancellor and the District's special advisor, in an effort to keep key faculty, staff, and administration informed, provided the attendees with a copy of the special advisor's recommendations and apprised them regarding the procedural steps in this process.

At the August 26, 2011 Planning Summit, the special advisor provided the Planning and Budgeting Council the first set of policies and procedures for input and required that input be provided back to the Chancellor by September 13, 2011. The policies and administrative procedure were as follows:

BP 1100 The Peralta Community College District (new policy)
BP 1200 Mission (replaces BP 1.24)
BP 2010 Board Membership (replaces a portion of BP 1.01)
BP 2015 Student Members (replaces BP 1.02)
BP 2100 Board Elections (replaces a portion of BP 1.01)
BP 2110 Vacancies on the Board (replaces a portion of BP 1.01)
AP 2110 Vacancies on the Board
BP 2200 Board Duties and Responsibilities (replaces BP 1.05)
BP 2210 Officers (replaces BP 1.04)
BP 2220 Committee of the Whole (replaces BP 1.21)
AP 2220 Committee Procedure and Staffing
BP 2305 Annual Organizational Meeting (new)
BP 2310 Regular Meetings of the Board (replaces a portion of BP 1.10)
BP 2315 Closed Sessions (replaces a portion of BP 1.10)
BP 2320 Special and Emergency Meetings (replaces a portion of BP 1.10)
AP 2320 Special and Emergency Meeting Notification
BP 2330 Quorum and Voting (replaces a portion of BP 1.10)
BP 2340 Agendas (replaces a portion of BP 1.10)
AP 2340 Agenda Development and Posting
BP 2431 Chancellor Selection (replaces BP 1.20)
BP 6300 Fiscal Management and Accounting (replaces BP 6.03)
AP 6300 General Accounting
BP 7400 Travel (replaces BP 6.39)
AP 7400 Travel

Following the presentation at the August 26, 2011 Planning Summit, the SMT recommended additional language be added to BP 7400 and to AP 7400. Based on this process and input, both policies were updated and forwarded to the Planning and Budgeting Council for review.

At the September 13, 2011 Board of Trustees meeting, a Board study session was held. The study session began with a review of the ACCJC Commission Recommendation regarding this subject. The Board was informed that the District would incorporate the Community College League of California (CCLC) template format, and it was noted that over 60 districts in California use the CCLC format. The Board of Trustees was provided an overview of the policies listed above. The Board of Trustees supported the process being proposed and agreed with the proposal to use the CCLC format.

All of the above policies and procedures were reviewed at the September 23, 2011 Planning and Budgeting Council meeting. In the District Administrative Procedure for the Policy Development Process, it states that "all draft Policies will be forwarded to the Planning and Budgeting Council by the Chancellor or his designee to ensure an opportunity for consultation and participation in the development of the policy. The consultative group(s) input to the Chancellor will be documented in the form of meeting minutes in a timely manner. The constituent group's position (supportive, not supportive, abstain), will be provided to the Board with the draft Policy."

At the Planning and Budgeting Council's September 23, 2011 meeting, the Council affirmed all of the policies and made a recommendation for improving BP 7400, Travel. The Chancellor accepted that recommendation. The Council also requested additional time to review AP 7400, Travel, which was later endorsed and forwarded to the Chancellor.

At the September 17, 2011 Board of Trustees meeting, the Board approved 16 of the 17 policies. The Board accepted a request from the Student Trustees to be allowed to provide input on BP 2015 Student Members.

Early in October 2011, the following Board Policies and District Administrative Procedures were sent to the Planning and Budgeting Council for review, comment, and action:

BP 2345: Public Participation at Board Meetings
AP 2345: Public Participation at Board Meetings
BP 2350: Speakers and Decorum
BP 2360: Minutes and Recording
AP 2360: Minutes and Records
BP 2410: Board Policy and Administrative Procedures
AP 2410: Policy Development Process
BP 2430: Delegation of Authority to the Chancellor
BP 2432: Chancellor Succession
BP 3280: Grants
AP 3280: Grant Applications and Awards
BP 4020: Program, Curriculum and Course Development

AP 4021: Program Discontinuance
BP 4025: Philosophy and Criteria for Associate Degree and General Education
BP 4040: Library Services
BP 4050: Articulation
BP 4070: Auditing and Auditing Fees
BP 4100: Graduation Requirements for Degrees and Certificates
BP 4220: Standards of Scholarship
BP 4226: Multiple and Overlapping Requirements
BP 4231: Grade Changes
BP 4260: Prerequisites and Co-requisites
BP 4300: Field Trips and Excursions
BP 5055: Enrollment Priorities

The Planning and Budgeting Council reviewed and supported the Board Policies and District Administrative Procedures in the 2000 and 3000 series and formally reported that to the Chancellor. Given that the policies numbered in the 4000 and 5000 series are academic policies, these were referred to the District Academic Senate for review and comment. The District Academic Senate approved these on November 15, 2011. The Planning and Budgeting Council approved all but AP 4021 on November 18, 2011. It was decided to allow for additional review time for this procedure. Ultimately, the District Academic Senate requested that the procedure be titled, Program Discontinuance and Program Consolidation, and added in options for program consolidation among the four colleges, if appropriate. The Planning and Budgeting Council approved this procedure on December 5, 2011.

On November 18, 2011, the Planning and Budgeting Council also reviewed BP 3900, Speech: Time, Place and Manner; BP 6700 and AP 6700, Civic Center and Other Facilities Use and requested additional time for review. These were approved on December 5, 2011.

On November 15, 2011, at a formal Governing Board meeting, the Board had a first review of the following:

BP 2345, Public Participation at Board Meetings
BP 2350, Speakers and Decorum
BP 2360, Minutes and Recording
BP 2410, Board Policy and Administrative Procedure
BP 2430, Delegation of Authority to the Chancellor
BP 2432, Chancellor Succession
BP 3280, Grants

These were adopted by the Board of Trustees at their December 6, 2011 meeting.

On December 6, the Board of Trustees did a first review of the following:

Board Policy 4020 Program, Curriculum, and Course Development (Replaces BP 5.11)
Board Policy 4025 Philosophy and Criteria for Associate Degree and General Education
        (Replaces BP 5.20)

Board Policy 4040 Library Services (Replaces BP 5.30)
Board Policy 4050 Articulation (Replaces BP 5.12)
Board Policy 4070 Auditing and Auditing Fees (New Policy)
Board Policy 4100 Graduation Requirements for Degrees and Certificates (Replaces BP 5.20)
Board Policy 4220 Standards of Scholarship (Replaces BP 4.32, 5.22, and 5.23)
Board Policy 4226 Multiple and Overlapping Enrollments (New Policy)
Board Policy 4230, Grading and Academic Record Symbols (Replaces Board Policy 5.22)
Board Policy 4231 Grade Changes (Replaces BP 4.43A)
Board Policy 4260 Prerequisites and Co-Requisites (Replaces BP 9.01, 9.02, 10.01, and 10.02)
Board Policy 4300 Field Trips and Excursions (Replaces BP 5.35)
Board Policy 5055 Enrollment Priorities (New Policy)

At the January 24, 2012 meeting of the Board of Trustees, the Board approved 9 of 13 policies. BP 4020, 4025, 4226, and 4040 were deferred for further discussion and consideration. BP 4020, 4025, and 4226 were revised and approved in February 2012. BP 4040 was referred back to the district head librarians to determine if they wanted to add additional detail to the policy rather than use the CCLC template of a single sentence.

The following Board Policies and District Administrative Procedures were forwarded to the Planning and Budgeting Council for review at their January 27, 2012 meeting. If endorsed by the Planning and Budgeting Council, these Board Policies will be scheduled for Board of Trustees review and adoption on February 14, 2012.

BP 3100 Organizational Structure
AP 3100 Organizational Structure
BP 3200 Accreditation
AP 3200 Accreditation
BP 3250 Institutional Planning
AP 3250 Institutional Planning
BP 3300 Public Records
AP 3300 Public Records
BP 3720 Telephone, Computer, and Network Use
AP 3720 Telephone, Computer, and Network Use
AP 2430 Delegation of Authority

The following is a proposed calendar for moving forward to complete the revision of Board Policies and Administrative Procedures:

Policies and Procedures for Planning and Budgeting Council Review:
- Chapter 3: General Institution (Part 1): January 2012
- Chapter 3: General Institution (Part 2): February 2012
- Chapter 5: Student Services (Part 1): March 2012
- Chapter 5: Student Services (Part 2): April 2012
- Chapter 6: Business and Fiscal Affairs (Part 1): May 2012
- Chapter 6: Business and Fiscal Affairs (Part 2): June 2012.

Policies for Board review and adoption:
- Chapter 4: Academic Affairs: January 2012
- Chapter 3: General Institution (Part 1): February 2012
- Chapter 3: General Institution (Part 2): March 2012
- Chapter 5: Student Services (Part 1): April 2012
- Chapter 5: Student Services (Part 2): May 2012
- Chapter 6: Business and Fiscal Affairs (Part 1): June 2012
- Chapter 6: Business and Fiscal Affairs (Part 2): July 2012.

Some Board Policies and District Administrative Procedures may be done out of sequence if determined to be a legal or institutional effectiveness priority.

The following website provides access to all new and revised Board Policies approved by the Board of Trustees and Chancellor approved District Administrative Procedures: http://web.peralta.edu/trustees/board-policies/   A Board Policy-District Administrative Procedures Tracking Matrix is provided as an Evidence document (15).

Evidence

1. SMT-EC Agenda – July 28, 2011
2. SMT-EC Minutes – July 28, 2011
3. Board of Trustees Agenda 9-13-11
4. Board of Trustees Agenda 9-27-11
5. Board of Trustees Agenda 11-15-11
6. Board of Trustees Agenda 12-6-11
7. Board Study Session – 9-14-11, BPs for the Board Meeting
8. Board of Trustees Minutes, September 27, 2011
9. Board 11-10-11 Special Workshop Session
10. Board Training on Accreditation 11-10-11
11. Board Policy Project August 2011 (document)
12. PBC Policy Review Position Memo 9-23-11
13. PBC Policy Review Position Memo 10-28-11
14. PBC Policy Review Position Memo 11-18-11
15. Tracking of Board Policies and District Administrative Procedures 11-15-11
16. PBC Policy Review Position Memo 12-06-11
17. BP-AP Tracking Matrix
18. Board of Trustees Agenda 1-24-12

Response to Commission Recommendation 5

Commission Recommendation 5:
While evidence identifies progress, the District/Colleges have not achieved compliance with Standard III.D and Eligibility Requirements #5 and #17. Specifically the District/Colleges do not demonstrate the fiscal capacity to adequately support quality student learning programs and services. Therefore, in order to meet Standards and Eligibility Requirements, the District/Colleges must evaluate the impact of financial decisions on the educational quality and implement actions to resolve any deficiencies.

Response

The response to this recommendation includes three sections. The first two sections, **Fiscal Capacity** (pp. 47-50) and **Administrative Capacity and Institutional Effectiveness** (pp. 50-83), provide a district-level response. Each of the four colleges (Berkeley City College, College of Alameda, Laney College, and Merritt College) have responded to this recommendation with a specific focus on evaluating "the impact of recent and future financial decisions on the college's ability to sustain programs and services." The third and final section provides the responses from each of the colleges as presented in their Midterm Reports (pp. 86- 110).

Fiscal Capacity

In responding to this Commission Recommendation, the initial context will be to focus on the budget and fiscal process for the 2011-2012 academic year. The academic year of 2011-2012 is the first full opportunity the current Vice Chancellor of Finance and Administration has guided and managed the budget development process and in so doing to work with the Chancellor and the PCCD educational community to provide direction to the colleges.

In developing the 2011-2012 budget, the following General Principles were applied:
- The 2011-2012 Adopted Budget will be balanced;
- The 2011-2012 Adopted Budget will have a contingency reserve of no less than 5%; and
- The District and the Colleges will use plans, planning documents, and planning processes as a basis for the development of their expenditure budgets.

On February 3, 2011, the Vice Chancellor of Finance and Administration forwarded a Memorandum to the four College Presidents and the four other Vice Chancellors alerting them to the budget issues from a State-level perspective and referenced the different budget scenarios that were being presented regarding the overall funding of the California Community Colleges. The Vice Chancellor provided each "site" a budget printout, which included only the Unrestricted General Fund base budgets. As noted, "for purposes of budget development, the College's base budget only includes object codes 13XX (with the exception of 1351 which will be budgeted for centrally), 14XX, 23XX, 24XX, 4XXX, 5XXX, and 6XXX. All other object codes will be budgeted for based upon existing positions and related benefits." The goal was to build awareness and develop scenarios for 5%, 10%, and 15% reductions and to do so by April 1,

2011. (Note: On February 3, 2012, the Vice Chancellor sent a Base Budget Development memo for 2012-2013 budget development.)

The following Revenue Assumptions were incorporated in the preparation of the 2011-2012 budget:
- Workload reduction as proposed by the Governor will be incorporated into the tentative budget;
- Anticipated deferral of approximately $18 million in general fund apportionment payments;
- General apportionment deficit factor of 0.5% for 2011-2012;
- The Cost of Living Adjustment (COLA) of 0% for 2011-2012;
- Enrollment Growth funds for the district of 0% for 2011-2012;
- Funded base credit FTES originally 19,200, then 18,184.94 and currently 17,800; and
- Funded base non-credit FTES of 104.60.

The following key Expenditure Assumptions were followed:
- The District intends to meet all negotiated contractual obligations;
- Projected step and column salary increases of $1.5 million;
- Projected medical benefit costs to remain steady (no projected increase);
- Projected PERS increase from 9.707% to 11.030%;
- Expenditure reduction related to the refinancing/restructuring of the District's OPEB debt service payment;
- Maintain District contribution to DSPS of $1.15 million; and
- Any restricted funding cuts or cost increases must be borne by the respective program.

The Vice Chancellor of Finance and Administration concluded, based on budget assumptions, cost increases (i.e., benefits), and actual state funding cuts, that the total budget reductions needed for the Peralta Community College District was approximately $10.5 million.
In order to meet this target, the following budget actions were taken:

OPEB debt service restructure	$2.5 million
Increase in transfers in from OPEB trust	$4.2 million
Discretionary Budget Reductions	
• District Office	$1,500,000
• College of Alameda	$272,000
• Laney College	$568,000
• Merritt College	$251,000
• Berkeley City College	$130,000
• Total	$2.7 million
Instructional hourly reduction	$1 million
Administrative reorganization	$ .67 million
Total budget solutions	$11 million

The District Office reductions resulted from a decrease in consultants used at the District Office and a decision not to fill vacant positions.

As noted above, one of the approaches to budget reductions, given the State Chancellor's Office Work Load Reductions and thus funding less FTES per each community college district, were/are reductions in hourly instructional faculty. Given the decrease in how much funded apportionment the district would receive, this necessitates only offering classes for which the district will be paid. In determining how to build a class schedule, the following parameters have been in place since 2009.

"The following parameters should be considered when creating a class schedule which requires class reductions given the work load reductions set by the State:

1. Regular full-time instructors may not teach beyond their regular full-time assignments more than .2 equated load or one (1) class on an extra service basis, whichever is greater, except by mutual agreement between the faculty member and the administration;

2. Regular full-time instructors may not teach beyond their regular full-time assignment for the purpose of extra service credit until the full-time assignment has been accomplished.

3. The minimum class size shall be set at 20 for vocational/technical classes and 25 for all others.

4. Exception to the minimum class size may include;
   a) Classes are needed for transfer;
   b) Classes are needed for completion of a certificate;
   c) Classes where there are a limited number of work stations;
   d) Classes for students with disabilities;
   e) Sequential classes; and
   f) Basic skills and remedial classes.

Please refer to Article 18.D of the Peralta Federation of Teacher's Contract Extension for more information on the above parameters.

Also, further considerations should be given to the following factors when reducing the class schedule:

1) The type of assignment: contract, extra-service, adjunct
2) Enrollment history of the course
3) Student retention
4) Enrollment at census
5) Productivity
6) Stand-alone status
7) Required for a major or certificate or graduation
8) Elective or enrichment
9) Growth of the discipline

10) Community need
11) FTES generation
12) Availability to be offered other terms
13) Learning Communities and Honors Courses
14) Availability of equal courses on same campus or another Peralta campus.

In addressing finances, it should be noted that during the 2010-2011 year, the Peralta Community College District updated and revised its Budget Allocation Model. The current model is based on the SB 361 model and is based upon the principles inherent in the State funding formula, which includes: Base Allocation, Credit Base Revenue, Non-Credit Base Revenue, Unrestricted Lottery revenue, Apprenticeship Revenue, a method for Distribution of New Revenues, Growth, Productivity, and Regulatory Compliance, Other New Resources, and Prior Year Carry Over.

Administrative Capacity and Institutional Effectiveness

As referenced above and specifically within the response to Recommendation 3 (Fiscal Stability), the Peralta Community College District (PCCD) certifies that the institution has a funding base and financial resources that maintains and supports student learning programs and quality services. This funding base also has provided for sufficient staff, to ensure that it has the proper Administrative Capacity to support the institution's mission and purpose. In spite of the State's Fiscal Crisis and its impact on California education, the PCCD and Colleges have appropriately prepared and experienced sufficient administrative and academic support staff to ensure that the institution's mission, purpose, and effectiveness is being achieved. (ER 5) The pertinent job descriptions and organizational charts provide evidence of an appropriate structure and focus of duties. The student performance indicators referenced in this section, offer further proof that this organizational structure is effective and efficient.

The PCCD Board of Trustees is a policy adopting body that supports its Chancellor in his leadership role of addressing Administrative Capacity. On December 6, 2011, the PCCD Board of Trustees approved Board Policy 2430 (Delegation of Authority to the Chancellor). The Board continues to be effectively focused at the policy level, and the approval of Board Policy reinforces their commitment in delegating full responsibility and authority to the Chancellor to administer the district.

In 2010, the Chancellor reviewed the administrative structure of the PCCD. With the involvement of the Board, SMT (Strategic Management Team), and other stakeholders, a revised more focused administrative structure was formulated. The structure is designed to more accurately focus on and meet the institution's mission and purpose.

On October 11, 2011, the Chancellor at the regular Board meeting continued his leadership in ensuring Administrative Capacity at the District and College site level by recommending approval of the following "Academic Administrator Positions":

- Chief Administrative Officer, Technology and Information Systems
- Dean of Academic Pathways and Student Success
- Dean of Enrollment Services

- Dean of Special Programs and Grants
- Dean of Workforce Development and Applied Sciences
- Dean of Disabled Student Programs and Services

The PCCD is currently advertising for the positions of Dean of Academic Pathways and Student Success (Berkeley), Dean of Workforce Development and Applied Sciences (Berkeley), Executive Vice President of Student Learning (Laney), Dean of Academic and Student Affairs (Math and Sciences) (Laney), Dean of Academic Pathways and Student Success (Merritt), Dean of Workforce Development and Applied Sciences (Merritt).

At the December 6, 2011, PCCD Board meeting, the Board moved approval of the appointment of an Acting Associate Vice Chancellor for Finance (District Office) and Interim Dean, Special Programs and Grants (Merritt).

The administrative structure at the District Administrative Center consists of the Chancellor, General Counsel, Vice Chancellor of Educational Services, Vice Chancellor of Student Services, Vice Chancellor for Finance and Administration/Chief Fiscal Officer, Vice Chancellor of Human Resources, and Vice Chancellor General Services. The administrative structure at the Colleges consists of four Presidents, Vice Presidents, Deans, and Business Managers as reflected in the organizational charts.
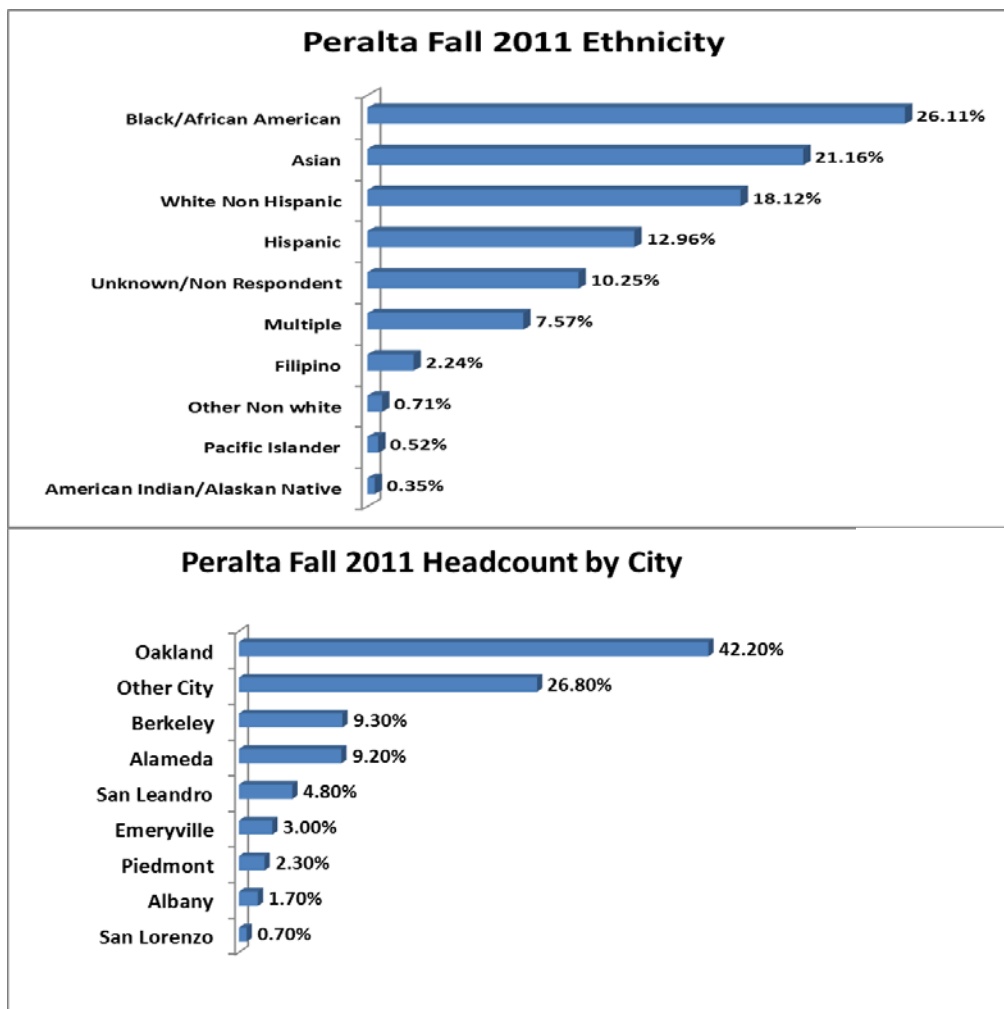
The administrative structure referenced above helps ensure that PCCD is meeting its mission and purpose. On September 27, 2011, the PCCD Board of Trustees adopted their revised mission statement policy (BP 1200 which replaced the previous BP 1.24) and in August, 2011, the annual "Planning and Budgeting Integration Handbook" was developed and disseminated to the PCCD stakeholders. This Handbook describes the central principles and features of the PCCD's Planning and Budgeting Integration Model (PBIM). The PBIM is a key step in implementing the PCCD's mission and decision making process. The model streamlines decision making among the colleges and the district service centers by providing a transparent process of collaboration and recommendations leading to decisions consistent with the District's mission and aligns with the State of California Community Colleges core educational focus of basic skills, transfer, and career technical education pathways. Most importantly, the Planning and Budgeting Integration Model (PBIM) provides for a proven model for assuring that the PCCD's major resources are allocated and linked to college planning. The PBIM is designed to promote the highest levels of success for students as it provides for a supportive framework for the colleges and district-wide planning. The PBIM's basic tenets provide for a documented process that consistently drives the planning process. Planning and Budgeting Integration Model documents can be found at the following website: http://web.peralta.edu/pbi/
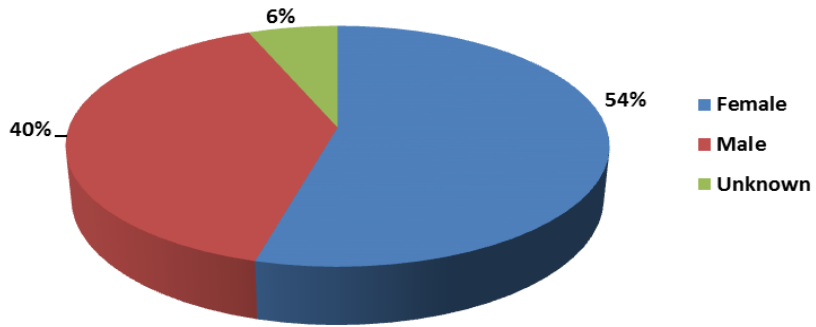
Institutional Profile and Effectiveness Data

As confirmation of administrative capacity, with appropriate preparation and experience to provide the administrative services necessary to support its mission and purpose, the PCCD provides an analysis of the following performance/institutional effectiveness indicators.

The initial data tables provide information regarding – demographics; transfers to UC and CSU; ARCC student performance data; peer group comparisons; cohort trends; and pre-collegiate improvement indicators.

Demographics: The four Peralta colleges serve an inner city population with African American the predominant ethnicity and Oakland the main city served.   In Fall 2011, there were almost 27,000 students registered at a Peralta campus (26,882). 54% were women, 95% were California residents, 38% were between the ages of 19 and 24, and 72% took all their classes during the day. The following charts give further breakdowns.

Peralta Fall 2011 Ethnicity

Ethnicity	Percent
Black/African American	26.11%
Asian	21.16%
White Non Hispanic	18.12%
Hispanic	12.96%
Unknown/Non Respondent	10.25%
Multiple	7.57%
Filipino	2.24%
Other Non white	0.71%
Pacific Islander	0.52%
American Indian/Alaskan Native	0.35%

Peralta Fall 2011 Headcount by City

City	Percent
Oakland	42.20%
Other City	26.80%
Berkeley	9.30%
Alameda	9.20%
San Leandro	4.80%
Emeryville	3.00%
Piedmont	2.30%
Albany	1.70%
San Lorenzo	0.70%

Peralta Fall 2011 Gender

6%

40%

54%

- Female
- Male
- Unknown

Peralta Fall 2011 Residency

3% 2%

- Resident
- Foreign
- Out of State

95%

Peralta Fall 2011 Age

38%

20%

16%

10%

7%

5%

1%

2%

Below 16   16-18   19-24   25-29   30-34   35-54   55-64   65 & Above

Peralta Fall 2011 Day/Evening

- 28% Evening
- 72% Day
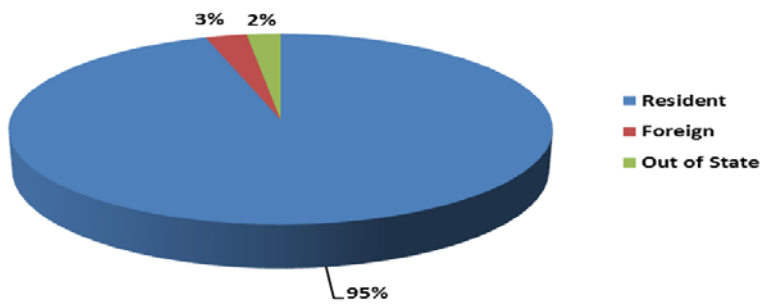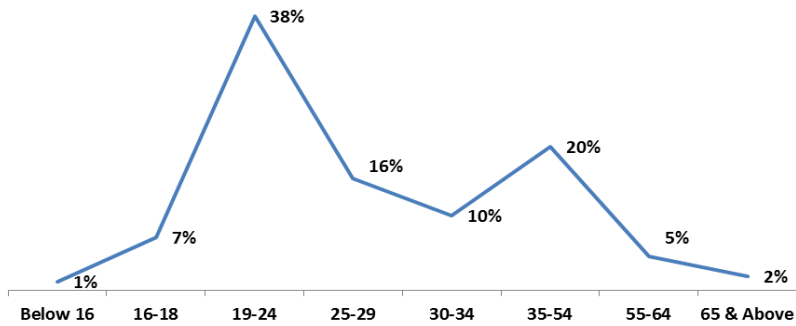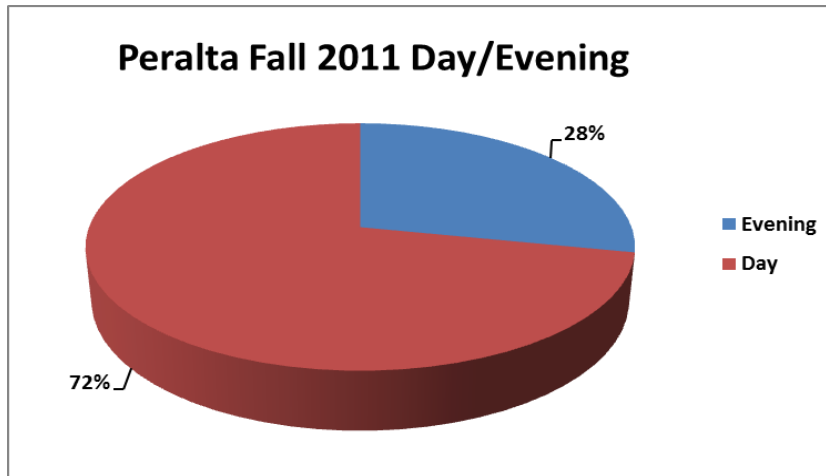
Transfers to UC and CSU by Ethnicity: Peralta ranks high in African American student transfers to U.C. and CSU. Using 2009-2010 data, with110 colleges ranked, the Peralta colleges have the following rankings:

African American student transfers to U.C. (109 colleges ranked):
- Laney 2nd
- Berkeley 9th
- Alameda 11th
- Merritt 27th

African American student transfers to CSU (110 colleges ranked):
- Laney 10th
- Merritt 13th
- Alameda 36th
- Berkeley 38th

Source CPEC: http://www.cpec.ca.gov/OnLineData/OnLineData.asp

ARCC 2011 Student Performance Indicators: The ARCC report for the California Community Colleges provides student performance indicators that measure student success. These indicators can be analyzed as follows:

Trends across Cohort: In the 2011 ARCC report, there are three cohorts consisting of first time students followed for six years: 2002-03 to 2007-08, 2003-04 to 2008-09, and 2004-05 to 2009-10. Cohort data allows analysis over time.

Comparisons across Peer Groupings: Colleges are divided into peer groups based on statistical analyses of demographic variables that correlate with student performance indicators. This allows comparison of performance indicators among colleges with similar characteristics. Peralta colleges generally (but not always) have the same peer groups.

Student Performance Indicators - Degree/Certificate/Transfer:

- *Progress and achievement.* Students who a) earned at least 12 units, (b) attempted a degree/certificate/transfer course, and (c) achieved any of the following outcomes within six years: (1) transferred to a four-year college; (2) earned an AA/AS degree or a certificate; (3) achieved transfer directed status; or (4) achieved transfer prepared status.
- *Percent of Students Who Earned at least 30 units during a cohort period.*
- *Persistence.* Percent of students who were enrolled in the fall and were still enrolled somewhere in the system one year later.

Peer Group Comparisons by college for Degree/Certificate/Transfer (most recent cohort):

Laney Degree/Certificate/Transfer

Merritt Degree/Certificate/Transfer
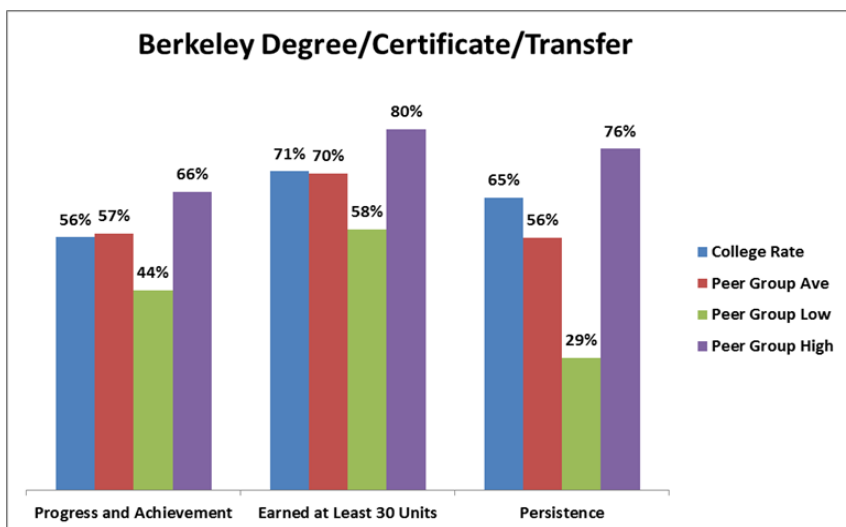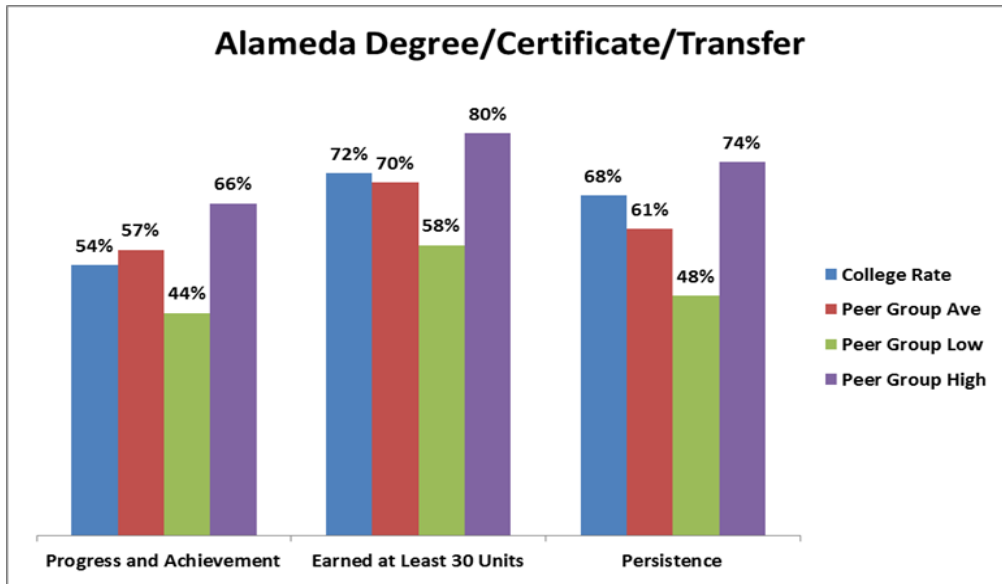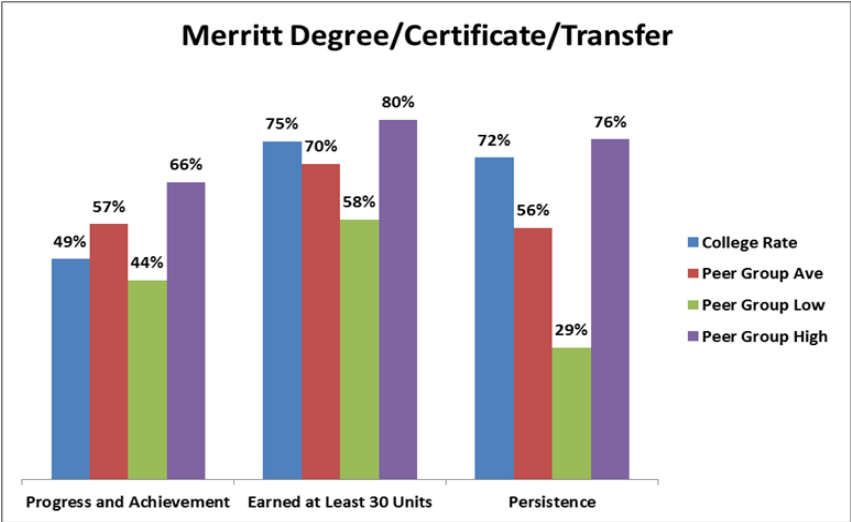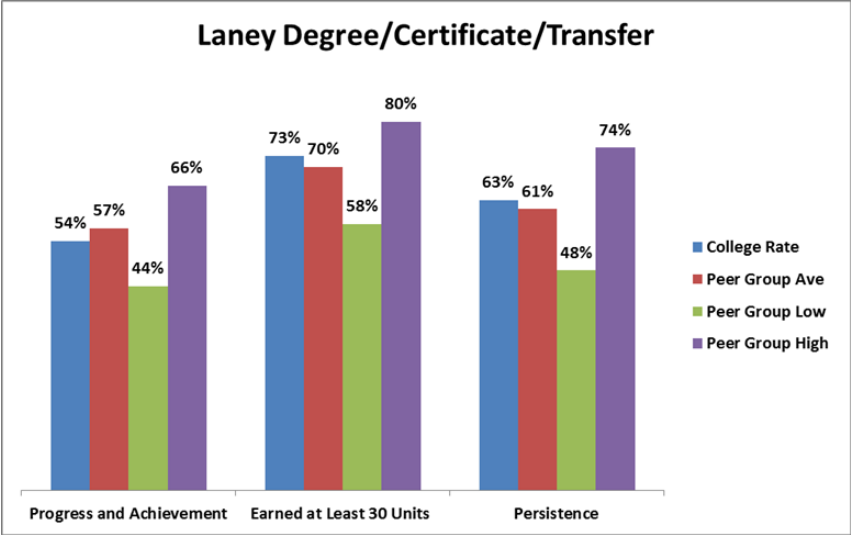
Peer Group Comparisons Summary: Alameda higher than average in 2 out of 3. Berkeley higher than average persistence. Laney higher than average in 2 out of 3. Merritt close to top in 2 out of 3.

Cohort Trends by college for Degree/Certificate/Transfer:

Alameda
Degree/Certificate/Transfer

73% 71% 72%
69% 67% 68%
55% 54% 54%

Progress and Achievement

Earned at Least 30 Units

Persistence

2002-03 to 2007-08   2003-04 to 2008-09   2004-05 to 2009-10

Berkeley
Degree/Certificate/Transfer

65% 71% 71%
65% 57% 65%
55% 52% 56%

Progress and Achievement

Earned at Least 30 Units

Persistence

2002-03 to 2007-08   2003-04 to 2008-09   2004-05 to 2009-10

Laney Degree/Certificate/Transfer

	2002-03 to 2007-08	2003-04 to 2008-09	2004-05 to 2009-10
Earned at Least 30 Units	70%	70%	73%
Persistence	68%	59%	63%
Progress and Achievement	54%	52%	54%

Merritt Degree/Certificate/Transfer

	2002-03 to 2007-08	2003-04 to 2008-09	2004-05 to 2009-10
Earned at Least 30 Units	68%	68%	75%
Persistence	61%	51%	72%
Progress and Achievement	48%	49%	49%

Cohort Trends Summary: Alameda flat. Berkeley persistence dips and recovers. Laney improvement. Merritt improves in two categories

Student Performance Indicators – Pre-Collegiate Improvement:

Basic Skills, ESL, and Enhanced Noncredit
- Successful Course Completion Rate for Credit Basic Skills Courses.
- Improvement Rate for Credit Basic Skills Courses.
- Improvement Rate for Credit ESL Courses.

Peer Group Comparisons by college for Pre-Collegiate Improvement (most recent cohort):

Alameda Basic Skills and ESL

Berkeley Basic Skills and ESL

Laney Basic Skills and ESL

Merritt Basic Skills and ESL
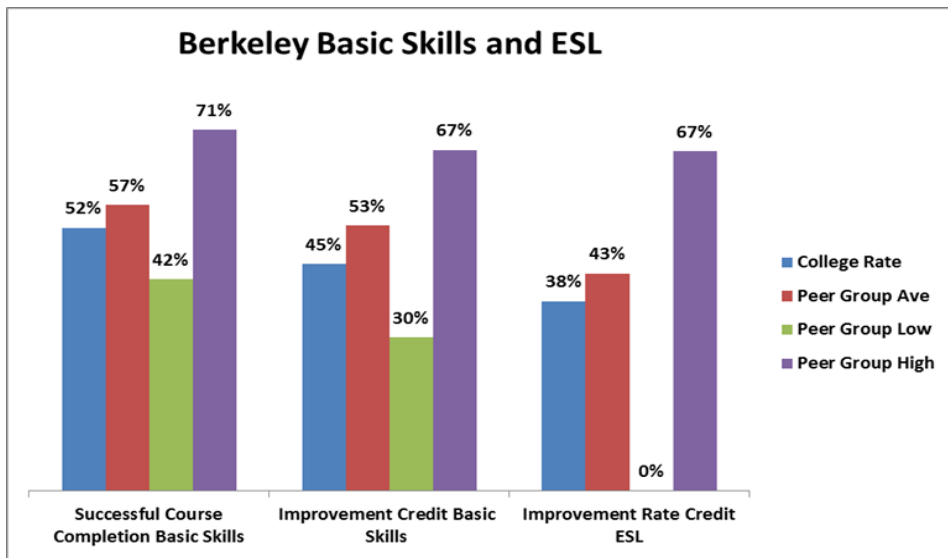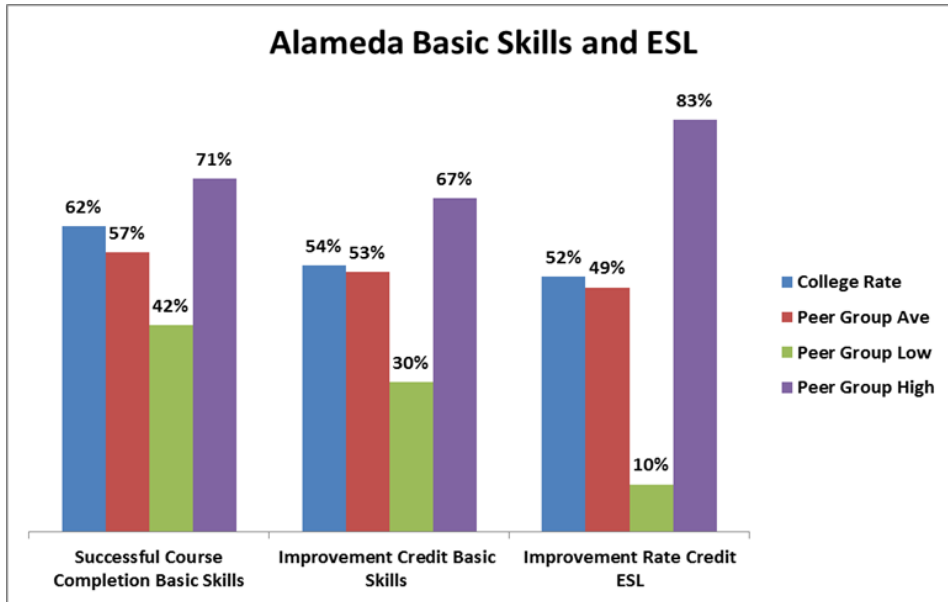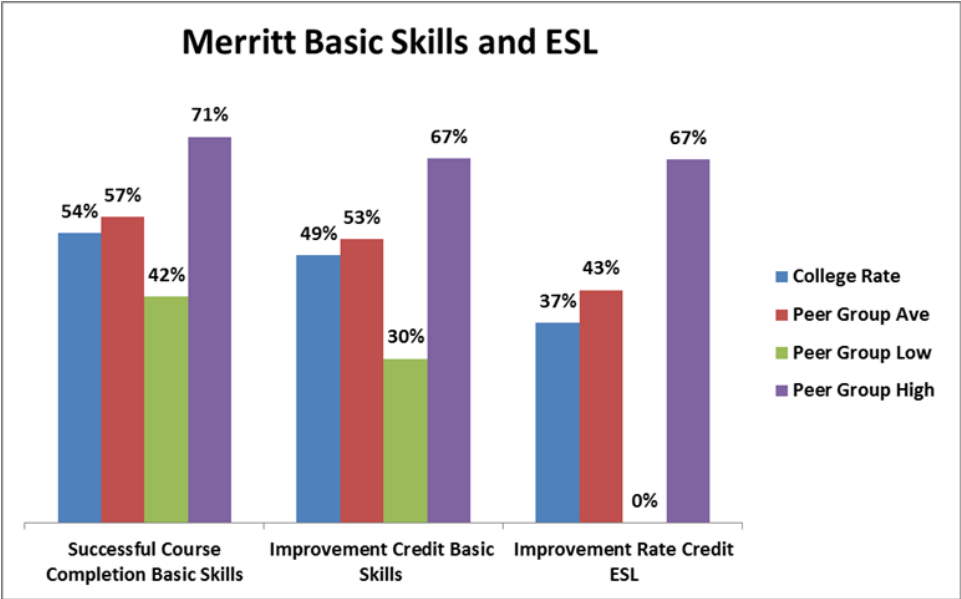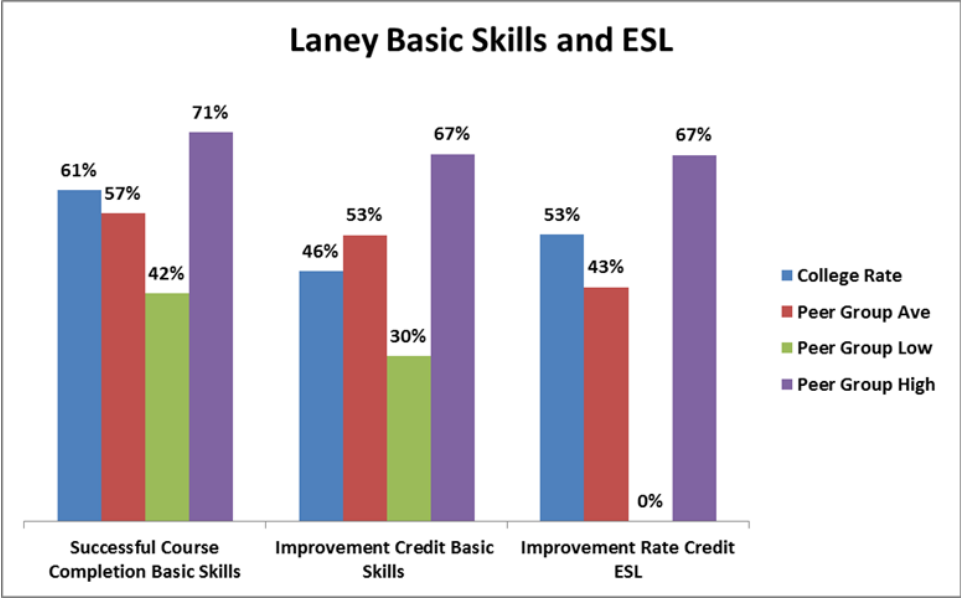
Peer Group Comparisons Summary: Alameda above average 3 out of 3. Berkeley below average 3 out of 3. Laney above average 2 out of 3. Merritt below average 3 out of 3.

Cohort Trends by college for Pre-Collegiate Improvement:

Alameda Basic Skills and ESL

62% 61% 62%
60% 57% 54%
47% 49% 52%

— Successful Course Completion Basic Skills
— Improvement Credit Basic Skills
— Improvement Rate Credit ESL

2002-03 to 2007-08   2003-04 to 2008-09   2004-05 to 2009-10

Berkeley Basic Skills and ESL

56% 53% 52%
47% 44% 45%
43% 38%
11%

— Successful Course Completion Basic Skills
— Improvement Credit Basic Skills
— Improvement Rate Credit ESL

2002-03 to 2007-08   2003-04 to 2008-09   2004-05 to 2009-10

Laney Basic Skills and ESL

66%
61% 61%
58% 59%
53%
46%
41% 43%

- Successful Course Completion Basic Skills
- Improvement Credit Basic Skills
- Improvement Rate Credit ESL

| 2002-03 to 2007-08 | 2003-04 to 2008-09 | 2004-05 to 2009-10 |

Merritt Basic Skills and ESL

61%
54% 50% 54%
45% 49%
46% 42% 37%

- Successful Course Completion Basic Skills
- Improvement Credit Basic Skills
- Improvement Rate Credit ESL

| 2002-03 to 2007-08 | 2003-04 to 2008-09 | 2004-05 to 2009-10 |

Cohort Trends Summary: In analyzing the data, Alameda is down in ESL and up in Basic Skills. Berkeley up in Basic Skills course completion, down otherwise; Laney is up in Basic Skills and down in ESL; Merritt has varied results. The District Education Committee has formed a Student Success Task Force to further review the data trends and plan areas for improvement.

Conclusions from the above data tables:
- High in African American student transfers to UC and CSU.
- Peralta Colleges above or close to average when compared to peers in ARCC performance indicators.
- Strong in degree/certificate/transfer.
- Many challenges not Peralta-specific but system-wide

The following tables serve to provide additional information regarding institutional profile and institutional effectiveness of the district as a whole. All data and analyses are available on the Peralta Institutional Research web site (http://web.peralta.edu/indev/). The focus of the following analysis is on enrollment trends; specific student success rates; persistence rates; basic skills course sequence flow success rates; awards granted to Peralta students; completion rates of five (5) first-time college entering cohorts; and an analysis that points the way to improve completion rates.

The effectiveness data (institutional student outcomes data) (see Figures 6 to 19) is discussed frequently and used to make improvements in district planning and budgeting committees, particularly the District Educational Committee and in various planning committees and task forces at the colleges. For example, Laney College used student outcomes data similar to that presented here to evaluate the effectiveness of their Project Bridge program for highly at-risk basic skills students. The result was a decision to redesign the program and to go institution-wide with various reforms to the basic skills programs in English, Math, and ESL.

The charts and tables of Figures 1 to 5 display district enrollment trends over the past nine years by selected breakdowns. The district experienced a decline in fall headcount enrollment in Fall 2010 and in Full-time Equivalent Students (FTES) for Fiscal Year 2010-11 after four years of increases to peaks in Fall 2009 and 2009-10, respectively. Fall Headcount declined from 31,806 to 28,802 while Fiscal Year FTES declined from 23,584 to 21,382 (Figure 1). Of course, most if not all of these decreases were a result of the State workload reductions rather than a drop in demand.

Figure 1
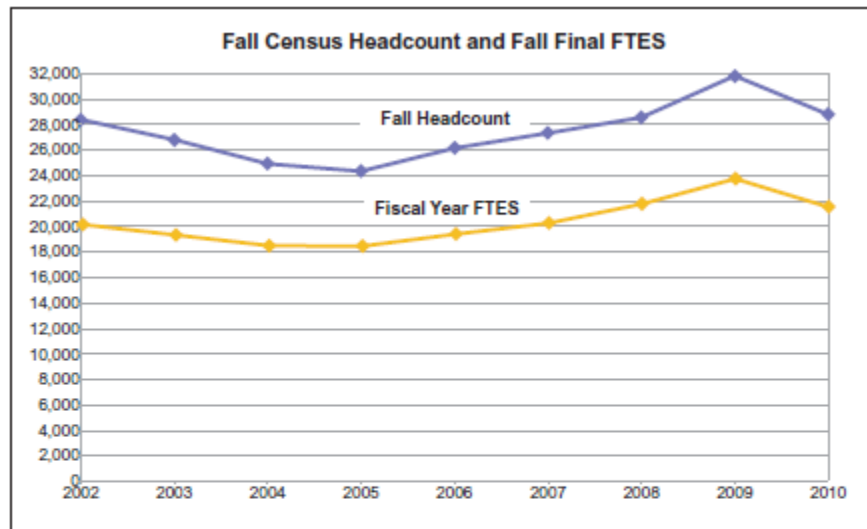
Fall Census Headcount

Measure	2002	2003	2004	2005	2006	2007	2008	2009	2010
Headcount	28,374	26,807	24,937	24,351	26,161	27,347	28,568	31,806	28,802

Fiscal Year FTES

Measure	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
FTES	20,023	19,201	18,368	18,345	19,275	20,142	21,629	23,584	21,382

The decline is equal among males and females (Figure 3) but the district lost more New Students proportionally than it did Continuing, Returning, or New Transfers (Figure 2). New Students make up 25% of Fall headcount enrollment. The change appears greatest among Other/Unknowns and Whites, but ethnicity data has been compromised and complicated in recent years by the transition to the PeopleSoft system and by new Federal requirements to report Multi-ethnic students (Figure 4). The age group with the greatest decline was the 35-54 year old group (Figure 5).

Figure 2
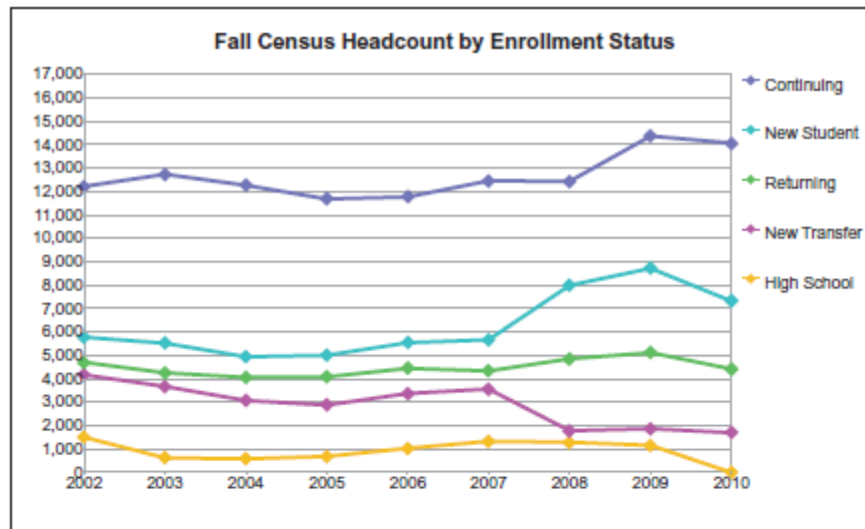
Fall Census Headcount by Enrollment Status

Status	2002	2003	2004	2005	2006	2007	2008	2009	2010
New Student	5,779	5,527	4,949	5,014	5,549	5,668	7,998	8,721	7,332
New Transfer	4,174	3,665	3,076	2,887	3,363	3,557	1,781	1,862	1,703
Returning	4,696	4,251	4,058	4,081	4,447	4,347	4,850	5,112	4,423
Continuing	12,212	12,730	12,264	11,681	11,775	12,443	12,431	14,373	14,060
High School	1,513	634	590	688	1,027	1,332	1,282	1,156	
Unknown							226	582	1,284
Total	28,374	26,807	24,937	24,351	26,161	27,347	28,568	31,806	28,802

Percentage Distribution of Fall Census Headcount by Enrollment Status

Status	2002	2003	2004	2005	2006	2007	2008	2009	2010
New Student	20%	21%	20%	21%	21%	21%	28%	27%	25%
New Transfer	15%	14%	12%	12%	13%	13%	6%	6%	6%
Returning	17%	16%	16%	17%	17%	16%	17%	16%	15%
Continuing	43%	47%	49%	48%	45%	46%	44%	45%	49%
High School	5%	2%	2%	3%	4%	5%	4%	4%	
Unknown							1%	2%	4%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: Headcount is unduplicated Districtwide.
Note: With the implementation of Peoplesoft in Fall 2008, coding for New Student and New Transfer status has been temporarily disrupted. They are expected to return to normal within the next couple of years. The sum of the two categories is comparable to years prior to 2008.

Figure 3
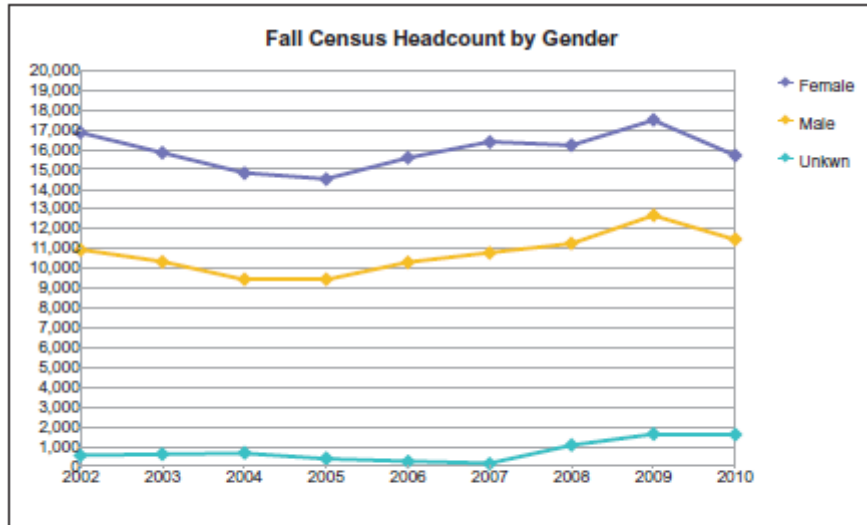
Fall Census Headcount by Gender

Gender	2002	2003	2004	2005	2006	2007	2008	2009	2010
Female	16,867	15,845	14,819	14,514	15,600	16,397	16,227	17,490	15,710
Male	10,942	10,341	9,444	9,443	10,309	10,798	11,268	12,679	11,471
Unkwn	565	621	674	394	252	152	1,073	1,637	1,621
Total	28,374	26,807	24,937	24,351	26,161	27,347	28,568	31,806	28,802

Percentage Distribution of Fall Census Headcount by Gender

Gender	2002	2003	2004	2005	2006	2007	2008	2009	2010
Female	59%	59%	59%	60%	60%	60%	57%	55%	55%
Male	39%	39%	38%	39%	39%	39%	39%	40%	40%
Unkwn	2%	2%	3%	2%	1%	1%	4%	5%	6%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Figure 4
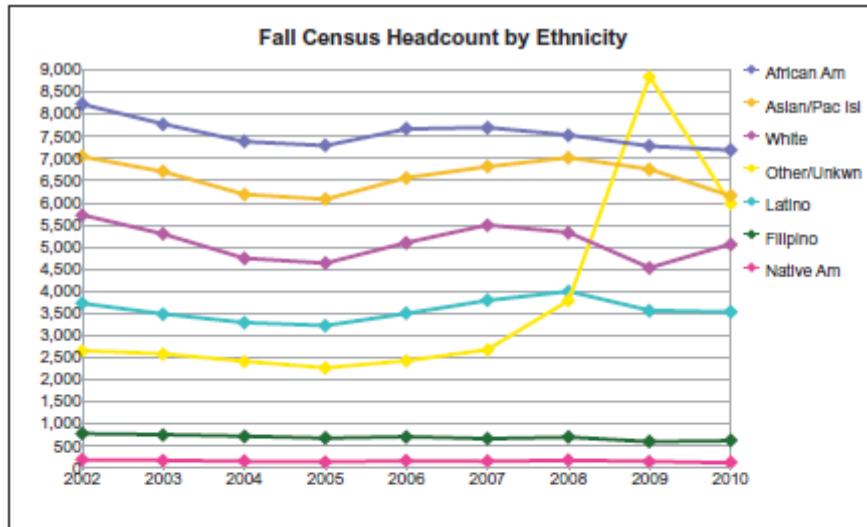
Fall Census Headcount by Ethnicity

Fall Census Headcount by Ethnicity

Ethnicity	2002	2003	2004	2005	2006	2007	2008	2009	2010
White	5,725	5,303	4,748	4,640	5,099	5,497	5,328	4,532	5,066
Latino	3,731	3,487	3,294	3,228	3,504	3,802	4,001	3,566	3,537
Asian/Pac I	7,048	6,709	6,190	6,082	6,567	6,824	7,022	6,758	6,162
African Am	8,231	7,782	7,392	7,300	7,676	7,704	7,534	7,288	7,197
Filipino	788	760	727	686	711	675	707	604	630
Native Am	196	178	165	146	172	163	183	155	130
Other/Unkw	2,655	2,588	2,421	2,269	2,432	2,682	3,793	8,855	5,983
Total	28,374	26,807	24,937	24,351	26,161	27,347	28,568	31,758	28,705

Percentage Distribution of Fall Census Headcount by Ethnicity

Ethnicity	2002	2003	2004	2005	2006	2007	2008	2009	2010
White	20%	20%	19%	19%	19%	20%	19%	14%	18%
Latino	13%	13%	13%	13%	13%	14%	14%	11%	12%
Asian/Pac I	25%	25%	25%	25%	25%	25%	25%	21%	21%
African Am	29%	29%	30%	30%	29%	28%	26%	23%	25%
Filipino	3%	3%	3%	3%	3%	2%	2%	2%	2%
Native Am	1%	1%	1%	1%	1%	1%	1%	0%	0%
Other/Unkw	9%	10%	10%	9%	9%	10%	13%	28%	21%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: Headcount is unduplicated Districtwide.

Figure 5
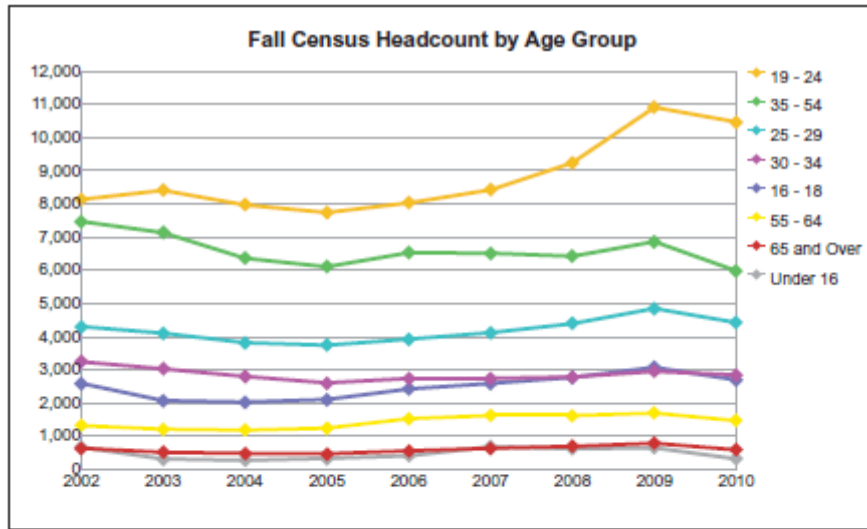
Fall Census Headcount by Age Group

Age Group	2002	2003	2004	2005	2006	2007	2008	2009	2010
16 - 18	2,586	2,074	2,025	2,104	2,427	2,592	2,770	3,076	2,692
19 - 24	8,137	8,414	7,976	7,744	8,037	8,431	9,244	10,914	10,469
25 - 29	4,304	4,101	3,816	3,750	3,920	4,120	4,403	4,846	4,427
30 - 34	3,245	3,033	2,804	2,600	2,742	2,738	2,782	2,957	2,849
35 - 54	7,470	7,140	6,373	6,110	6,540	6,517	6,427	6,864	5,980
55 - 64	1,320	1,209	1,184	1,243	1,525	1,629	1,615	1,703	1,473
65 and Over	637	517	484	468	560	635	701	790	592
Under 16	675	319	275	332	410	685	626	656	320
Total	28,374	26,807	24,937	24,351	26,161	27,347	28,568	31,806	28,802

Percentage Distribution of Fall Census Headcount by Age Group

Age Group	2002	2003	2004	2005	2006	2007	2008	2009	2010
16 - 18	9%	8%	8%	9%	9%	9%	10%	10%	9%
19 - 24	29%	31%	32%	32%	31%	31%	32%	34%	36%
25 - 29	15%	15%	15%	15%	15%	15%	15%	15%	15%
30 - 34	11%	11%	11%	11%	10%	10%	10%	9%	10%
35 - 54	26%	27%	26%	25%	25%	24%	22%	22%	21%
55 - 64	5%	5%	5%	5%	6%	6%	6%	5%	5%
65 and Over	2%	2%	2%	2%	2%	2%	2%	2%	2%
Under 16	2%	1%	1%	1%	2%	3%	2%	2%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

In general, the Peralta colleges are average on just about every student achievement outcome indicator. The challenge for the four Peralta colleges, and the California community colleges in general, is to figure out how to dramatically improve these low student success rates. The faculty, administrators and staff are up to this challenge, and have dedicated time and energy to develop strategies for improvement.

For example, Peralta has begun to realign their grant projects and other programs to combine their discoveries of what works and to attempt to scale their impacts for all students not just the lucky few who participate in projects or intervention programs.

What follows is a narrative of the specific outcomes data presented in Figures 6 to 19.

The all-courses Fall Course Success Rate, i.e., the percentage of all official grades including the W grade that are C or better, improved from 65% in Fall 2009 to 67% in Fall 2010 (Figure 6).

The success rate for Basic Skills English courses declined some, from 60% to 58%, after three years of improvements from a low of 49% in Fall 2006 (Figure 7). Success rates in Basic Skills Math courses improved substantially for the second straight year from a low in Fall 2008 of 46% to 57% in Fall 2010 (Figure 8). Basic Skills ESL course success rates also improved for the second year to 77% in Fall 2010 from 68% in Fall 2008 (Figure 9).

Figure 6

Fall Course Success Rate - All Students
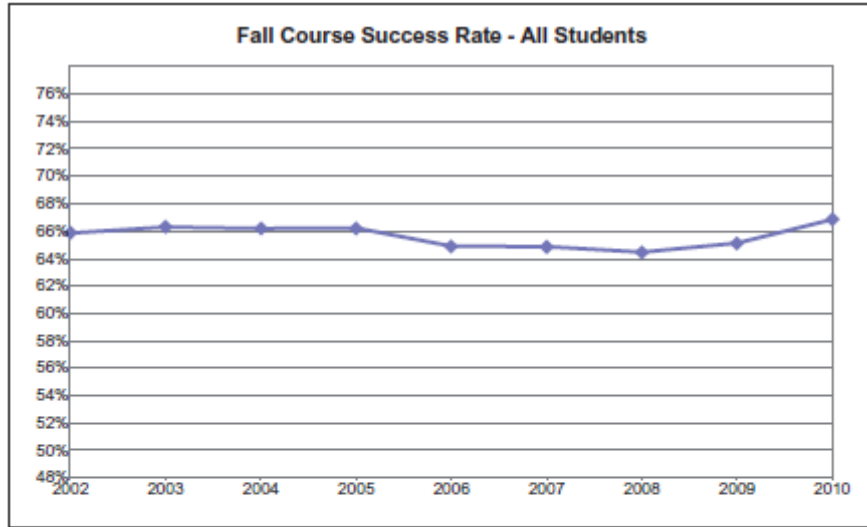
Number of Fall Total Grades Awarded - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	65,937	63,629	60,358	58,724	63,474	66,307	70,123	78,191	69,532

Number of Fall Successful Grades - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	43,434	42,195	39,949	38,881	41,191	43,011	45,200	50,912	46,482

Course Success Rates - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	66%	66%	66%	66%	65%	65%	64%	65%	67%

Figure 7

Fall Basic Skills English Course Success Rates - All Students
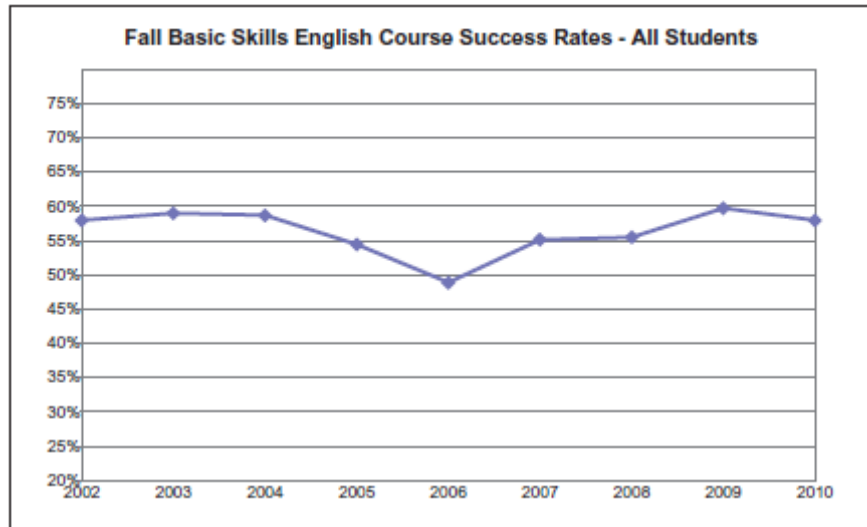
Number of Fall Basic Skills English Total Grades Awarded - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	1,520	1,419	1,281	1,313	1,180	1,177	1,241	1,385	1,311

Number of Fall Basic Skills English Successful Grades Awarded - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	881	837	752	715	577	649	689	827	760

Number of Fall Basic Skills English Course Success Rates - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	58%	59%	59%	54%	49%	55%	56%	60%	58%

Figure 8

Fall Basic Skills Math Course Success Rates - All Students
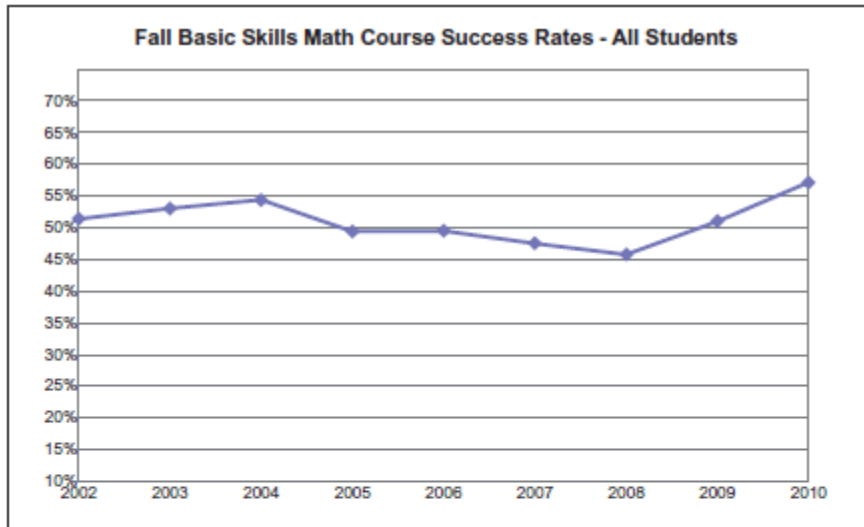
Number of Fall Basic Skills Math Total Grades Awarded - All Students

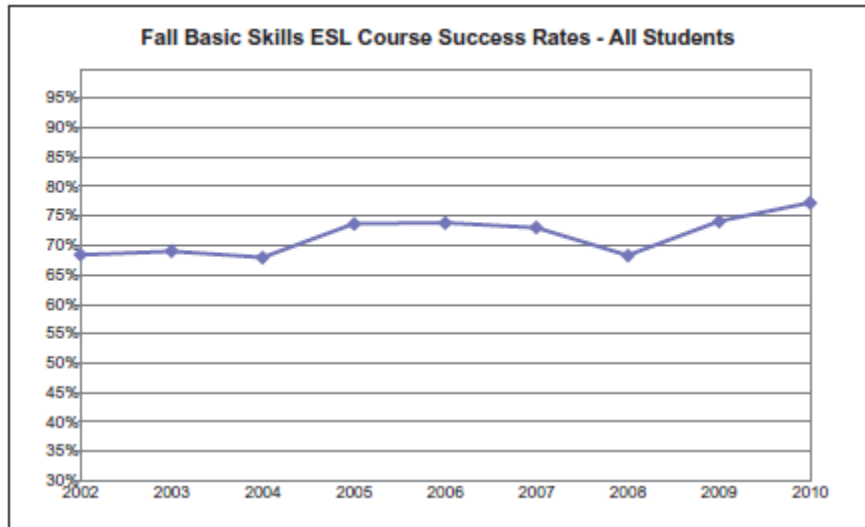| Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	1,586	1,641	1,547	1,513	1,566	1,702	1,870	2,003	1,757

Number of Fall Basic Skills Math Successful Grades Awarded - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	815	870	841	748	775	809	856	1,022	1,004

Number of Fall Basic Skills Math Course Success Rates - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	51%	53%	54%	49%	49%	48%	46%	51%	57%

Figure 9

Fall Basic Skills ESL Course Success Rates - All Students

Number of Fall Basic Skills ESL Total Grades Awarded - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	2,052	2,006	1,805	1,695	1,874	1,780	1,840	1,858	1,717

**Number of Fall Basic Skills ESL Successful Grades Awarded - All Students**

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	1,404	1,385	1,227	1,249	1,384	1,300	1,257	1,377	1,327

Number of Fall Basic Skills ESL Course Success Rates - All Students

Dimension	2002	2003	2004	2005	2006	2007	2008	2009	2010
All Students	68%	69%	68%	74%	74%	73%	68%	74%	77%

Fall-to-Spring Persistence Rates are displayed in Figure 10. They have been very stable for the past six years though there has been some improvement in recent years compared to those of three years ago. The District persistence rate was 65% in Fall 2010. Though down a point from Fall 2009, it is up from 62% in Fall 2006. While Berkeley City College contributed the most to the district improvement having increased its fall-to-spring persistence from 62% in Fall 2006 to 66% by Fall 2010, all of the colleges improved from their Fall 2006 figures. Review of the graph in Figure 10 does suggest some real improvement over the nine year period displayed.
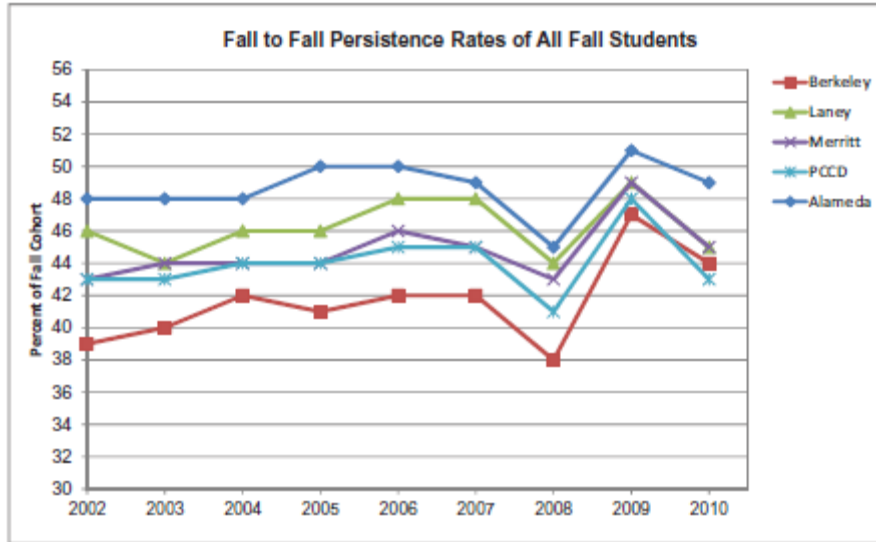
Figure 10
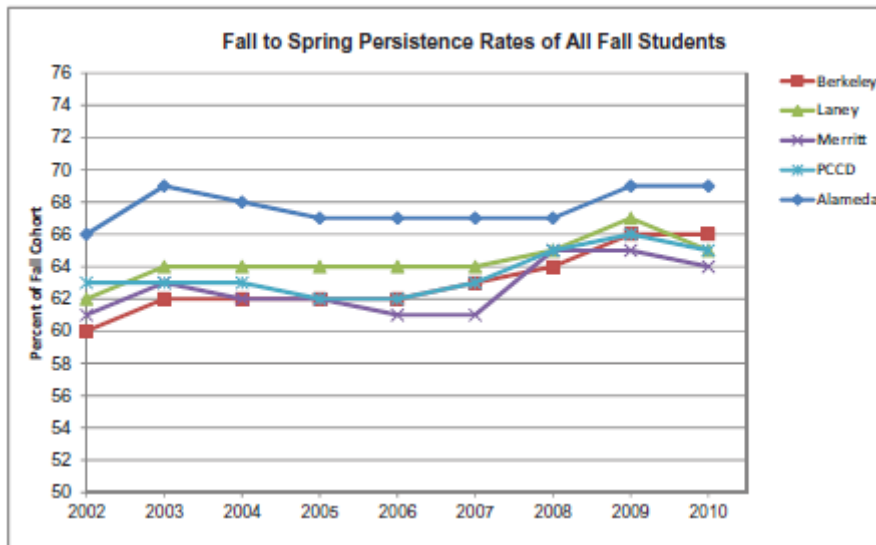
Fall to Spring Persistence Rates of All Fall Students

Fall Term Cohort	Alameda	Berkeley	Laney	Merritt	PCCD
2002	66	60	62	61	63
2003	69	62	64	63	63
2004	68	62	64	62	63
2005	67	62	64	62	62
2006	67	62	64	61	62
2007	67	63	64	61	63
2008	67	64	65	65	65
2009	69	66	67	65	66
2010	69	66	65	64	65

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The data for Fall-to-Fall Persistence Rates (Figure 11) are somewhat hard to interpret because it is clear that the data for the Fall 2008 cohort (persisting to Fall 2009) is flawed. This was due, no doubt, to the transition to PeopleSoft system during this period. It appears that the Fall 2010 cohort's Fall-to-Fall persistence is about the same as the cohorts of Fall 2005 through Fall 2007. The rate for the District was 43% for the Fall 2010 cohort, down 5 points from 48% for the Fall 2009 cohort. This is consistent with enrollment declines in Fall 2010 and Fall 2011. The current rate, however, is consistent with those prior to PeopleSoft implementation, namely in the 43-45% range.

Figure 11

Fall to Fall Persistence Rates of All Fall Students

Fall Term Cohort	Alameda	Berkeley	Laney	Merritt	PCCD
2002	48	39	46	43	43
2003	48	40	44	44	43
2004	48	42	46	44	44
2005	50	41	46	44	44
2006	50	42	48	46	45
2007	49	42	48	45	45
2008	45	38	44	43	41
2009	51	47	49	49	48
2010	49	44	45	45	43

39% of the new-to-college cohort of Fall 2010 returned for Fall 2011. This is a slight improvement from the 38% rate of the Fall 2009 cohort (Figure 12).

Figure 12
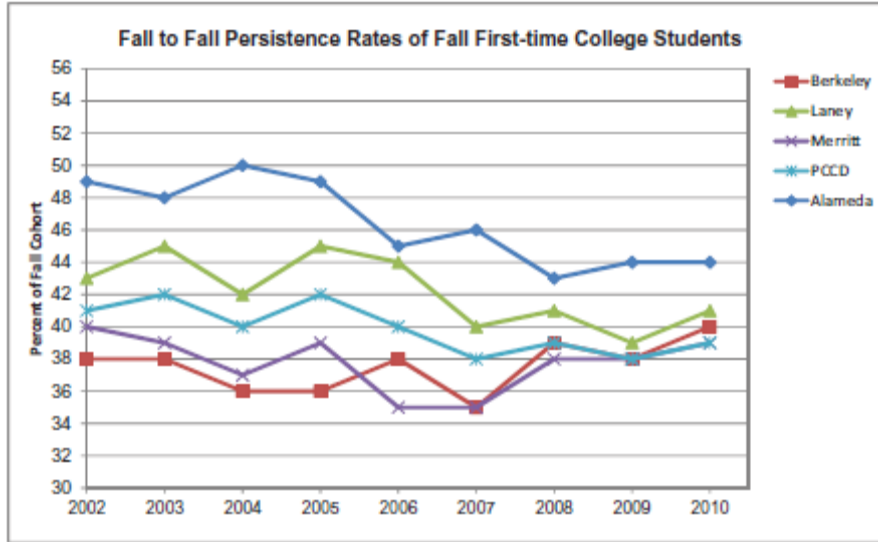
Fall to Fall Persistence Rates of Fall First-time College Students

Fall Term Cohort	Alameda	Berkeley	Laney	Merritt	PCCD
2002	49	38	43	40	41
2003	48	38	45	39	42
2004	50	36	42	37	40
2005	49	36	45	39	42
2006	45	38	44	35	40
2007	46	35	40	35	38
2008	43	39	41	38	39
2009	44	38	39	38	38
2010	44	40	41	39	39

The analysis of Figure 13 tracks the Flow Success Rate of student cohorts taking Basic Skills English. In particular, it examines the percentage of students starting out in English 201A, one level below the transferable level of English 1A (Freshman Composition), who go on to succeed in English 1A within four years. Five cohorts are tracked in the analysis. The findings show that while 60% of these students succeed (i.e., earn a C or better) in their first course of the sequence, only 28% of those starting out eventually succeed in English 1A and only 24% are successful in the second course of the sequence, English 201B. There is also no trend of improvement in these rates over the five cohorts tracked.

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Figure 13
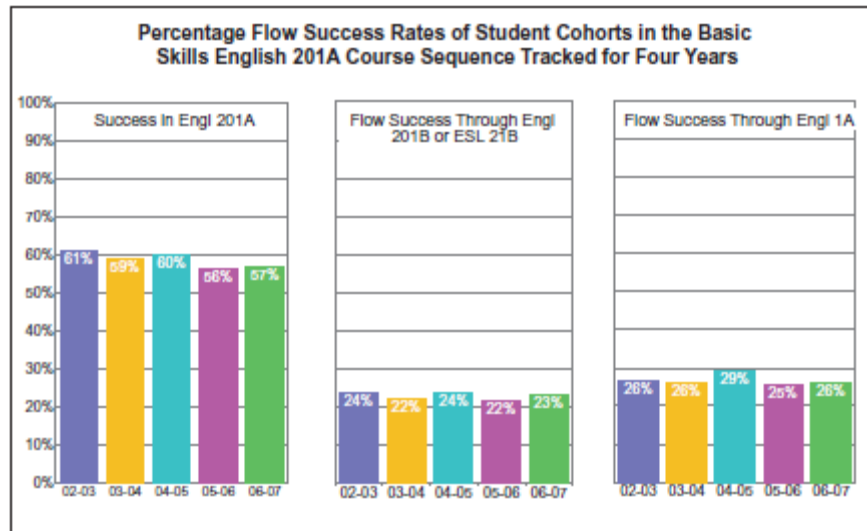
Percentage Flow Success Rates of Student Cohorts in the Basic Skills English 201A Course Sequence Tracked for Four Years

Cohort Flow Counts and Flow Success Rates in the Basic Skills English 201A Course Sequence Tracked for Four Years

Cohort	1st Level Course			2nd Level Course				3rd Level Course			
	Attmp Engl 201A	Succ Engl 201A	Succ Rate	Attmp Engl 201B / ESL21B	Succ Engl 201B / ESL21B	Succ Rate	Flow Succ Rate	Attmp Engl 1A	Succ Engl 1A	Succ Rate	Flow Succ Rate
2002-03	1,382	845	61%	484	328	68%	24%	595	366	62%	26%
2003-04	1,402	825	59%	459	311	68%	22%	594	366	62%	26%
2004-05	1,256	751	60%	472	299	63%	24%	555	368	66%	29%
2005-06	1,269	715	56%	421	275	65%	22%	517	321	62%	25%
2006-07	1,222	698	57%	417	285	68%	23%	486	320	66%	26%
Combined	6,071	3,641	60%	2,093	1,428	68%	24%	2,597	1,685	65%	28%

Note: All flow success rates are the number of individual students earning a grade of C or Pass or better at least once at each sequence level as a percentage of the initial cohort, that is, the number of students attempting and receiving a grade (including the W grade) in the initial first-level course during the cohort year.

Note: The Combined Cohort is not the linear sum of the indicated cohorts. Since an individual student may belong to more than one cohort, the Combined Cohort may count fewer students at various stages than the linear sum of the indicated cohorts.

Definitions:
1. Cohorts are defined as students taking and receiving a grade in the initial course in the Fall or Spring term of the specified cohort year.
2. Counts are unduplicated; students may have attempted and/or succeeded in a course more than once; multiple attempts and multiple successes at each level are counted only once.
3. Cohorts are followed from their initial term through the Summer of the last of the indicated number of years (including summer terms between).
4. Students are tracked for classes after the initial college-based, first-level attempt at all four colleges.
5. Combined Cohorts is the aggregation of all available annual cohorts. See report page "Sequence by Cohort" for details of each cohort.

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Figure 14 shows a similar analysis for a sequence of Basic Skills Math courses. Students starting in Math 253, three levels below transferrable level math, are tracked through Math 201 (Elementary Algebra) and then finally to Math 203 (Intermediate Algebra, one level below transferrable level but associate degree applicable). As with the Basic Skills English sequence, the results show that only a small percentage students complete the sequence successfully. In fact, in this case the average Flow Success Rate for the five cohorts tracked is 11%. That is, only 11% of those starting out in Math 253 complete Math 203 successfully within four years. This indicates a significant improvement in this rate over the five cohorts, from a low of 8% for the 2002-03 Cohort to 14% for the 2006-07 Cohort. That's a 75% improvement in the rate, a significant achievement if it continues to hold up. However, a 14% course sequence completion rate is still a very low outcomes rate. As is the challenge statewide, this low mathematics sequence rate has the effect of preventing many students from completing the larger task of earning a degree or a certificate or of transferring. As a result of reviewing this data, faculty have developed new curriculum for both English and Mathematics to look at ways to reduce exit points, accelerate instruction, and improve success.

Figure 14
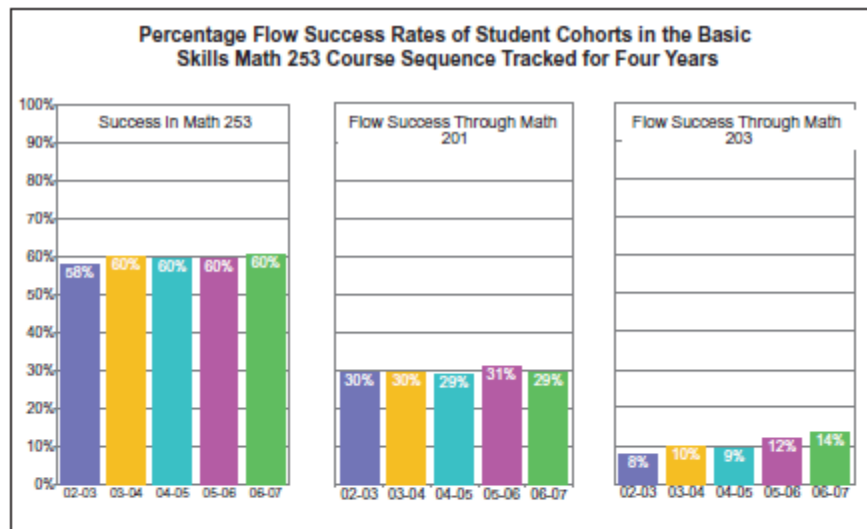
Percentage Flow Success Rates of Student Cohorts in the Basic Skills Math 253 Course Sequence Tracked for Four Years

Cohort Flow Counts and Flow Success Rates in the Basic Skills Math 253 Course Sequence Tracked for Four Years

Cohort	1st Level Course			2nd Level Course				3rd Level Course			
	Attmp Math 253	Succ Math 253	Succ Rate	Attmp Math 201	Succ Math 201	Succ Rate	Flow Succ Rate	Attmp Math 203	Succ Math 203	Succ Rate	Flow Succ Rate
2002-03	1,192	690	58%	663	355	54%	30%	246	94	38%	8%
2003-04	1,104	663	60%	605	327	54%	30%	242	106	44%	10%
2004-05	1,075	640	60%	587	310	53%	29%	210	98	47%	9%
2005-06	1,028	612	60%	548	321	59%	31%	223	125	56%	12%
2006-07	1,075	648	60%	546	317	58%	29%	246	147	60%	14%
Combined	**5,087**	**3,081**	**61%**	**2,742**	**1,568**	**57%**	**31%**	**1,103**	**560**	**51%**	**11%**

Note: All flow success rates are the number of individual students earning a grade of C or Pass or better at least once at each sequence level as a percentage of the initial cohort, that is, the number of students attempting and receiving a grade (including the W grade) in the initial first-level course during the cohort year.

Note: The Combined Cohort is not the linear sum of the indicated cohorts. Since an individual student may belong to more than one cohort, the Combined Cohort may count fewer students at various stages than the linear sum of the indicated cohorts.

Definitions:
1. Cohorts are defined as students taking and receiving a grade in the initial course in the Fall or Spring term of the specified cohort year.
2. Counts are unduplicated; students may have attempted and/or succeeded in a course more than once; multiple attempts and multiple successes at each level are counted once only.
3. Cohorts are followed from their initial term through the Summer of the last of the indicated number of years (including summer terms between).
4. Students are tracked for classes after the initial college-based, first-level attempt at all four colleges.
5. Combined Cohorts is the aggregation of all available annual cohorts. See report page "Sequence by Cohort" for details of each cohort.

The charts of figures 15 and 16 display the trends in the number of awards granted by Peralta colleges and the number of transfers to the University of California and the California State University systems. For the district, the number of Associate of Arts and Associate of Science degrees earned has been very constant over the past seven years at about 1,200 per year. There has been an increase from 1,142 to 1,242 over the past two years. The number of Certificates (including of Proficiency and of Achievement) has declined some in recent years to 647 from an average of around 700 in prior years. Of course, these "volume" numbers are a function of overall enrollment changes among other things and do not indicate whether the rates of student success are improving or declining.

Figure 15
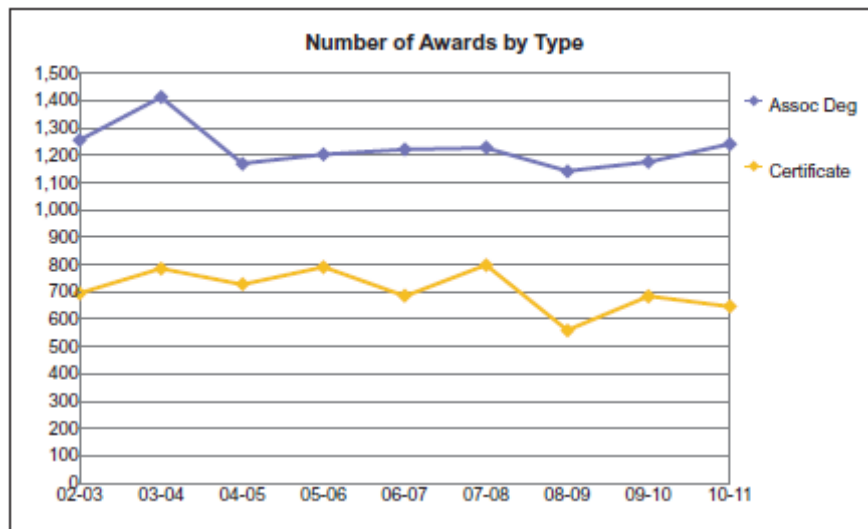
Number of Awards by Type

Deg or Cert	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Assoc Deg	1,257	1,414	1,170	1,204	1,223	1,228	1,142	1,177	1,242
Certificate	696	786	728	791	686	799	560	685	647
Total	1,953	2,200	1,898	1,995	1,909	2,027	1,702	1,862	1,889

Percentage Distribution of Awards by Type

Deg or Cert	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Assoc Deg	64%	64%	62%	60%	64%	61%	67%	63%	66%
Certificate	36%	36%	38%	40%	36%	39%	33%	37%	34%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Transfers to CSU have also declined in recent years from highs of about 700 to 574 in 2010-11. Transfers to UC have increased some from an earlier average of about 295 to 328 in 2010-11.

One might expect some increases in transfers and in awards in the next few years if only because enrollments had been increasing until 2010-11. Typically, the ratio between enrollment and transfers or awards remains constant but changes in the number of transfers and awards lag enrollment changes by 3 to 4 years.
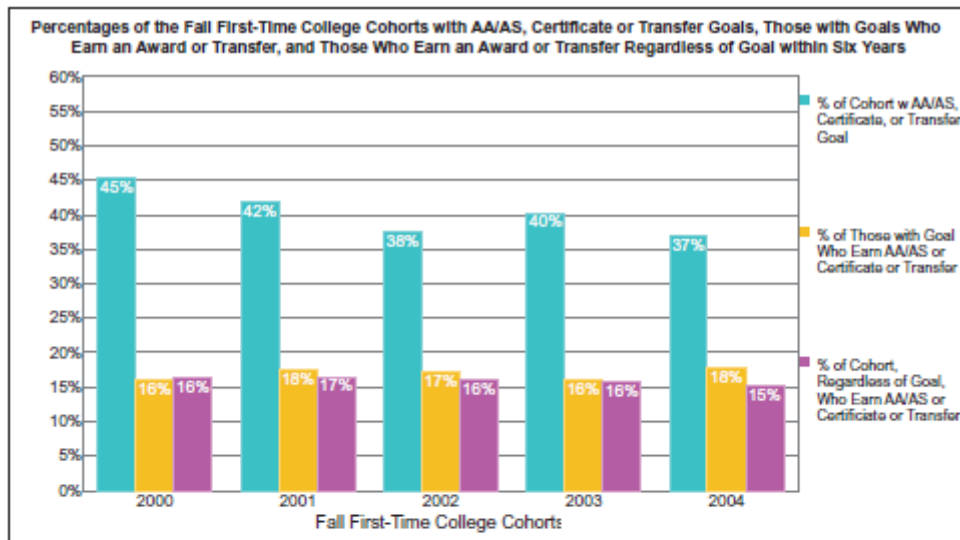
Figure 16

Number of Transfers to CSU and UC
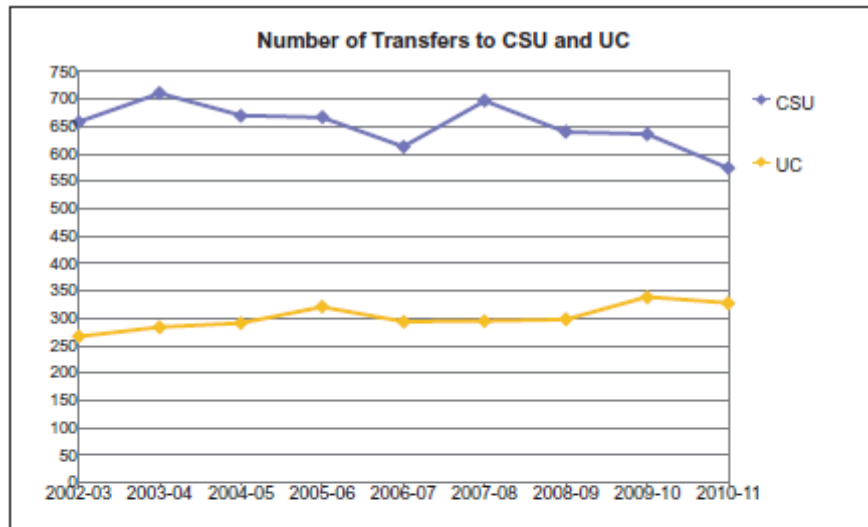
System	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
CSU	658	711	670	667	613	697	640	636	574
UC	267	284	291	321	294	295	298	339	328
Total	925	995	961	988	907	992	938	975	902

Percentage Distribution of Transfers to CSU and UC

System	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
CSU	71%	71%	70%	68%	68%	70%	68%	65%	64%
UC	29%	29%	30%	32%	32%	30%	32%	35%	36%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

The analyses of figures 17 and 18 track the award and transfer outcomes of five entering fall cohorts of first-time-college students over six years. The analysis of Figure 17 shows that of the average entering (matriculating) cohort of 4,100 students, 16% have earned a degree, a certificate, or have transferred to UC or CSU within six years of entering. The analysis also shows that this completion rate has remained essentially the same over the five entering cohorts tracked.

Figure 17

Percentages of the Fall First-Time College Cohorts with AA/AS, Certificate or Transfer Goals, Those with Goals Who Earn an Award or Transfer, and Those Who Earn an Award or Transfer Regardless of Goal within Six Years

Count and Percentage Tracking of the Fall Matriculated First-Time College Cohort for AA/AS, Certificate, or Transfer Goal and Those Who Earn an AA/AS or Certificate or Transfer within Six Years

Fall Cohort	Count of Fall Cohort	Count of Cohort with AA/AS, Certificate or Transfer Goal	Percent of Cohort with AA/AS, Certificate or Transfer Goal	Count of Those with Goal Who Earn an AA/AS, Certificate or Transfer	Percent of Those with Goal Who Earn an AA/AS, Certificate or Transfer	Count of Cohort, Regardless of Goal, Who Earn an AA/AS or Certificate	Percent of Cohort, Regardless of Goal, Who Earn an AA/AS or Certificate	Count of Cohort, Regardless of Goal, Who Tmsfr to 4-yr College	Percent of Cohort, Regardless of Goal, Who Transfer to 4-yr College	Count of Cohort, Regardless of Goal, Who Earn a Deg/Cert or Transfer	Percent of Cohort, Regardless of Goal, Who Earn a Deg/Cert or Transfer
2000	4,101	1,865	45%	303	16%	425	10%	367	9%	669	16%
2001	4,340	1,819	42%	319	18%	408	9%	429	10%	717	17%
2002	4,594	1,724	38%	296	17%	445	10%	415	9%	738	16%
2003	4,500	1,814	40%	291	16%	403	9%	427	9%	714	16%
2004	4,085	1,507	37%	269	18%	348	9%	380	9%	626	15%
Totals	21,620	8,729	40%	1,478	17%	2,029	9%	2,018	9%	3,464	16%

Note: Cohorts consists of Fall students enrolled at census with an Enrollment Status of "First-Time College" and with a Matriculation Status of "Matriculated." The student's goal is the Informed or Matriculation Goal with values of 1, 2, 3, 4, or 5, i.e., the goals of Transfer with or without an AA/AS, AA/AS General Education, AA/AS Vocational, or Certificate. Students are individually tracked to determine the number of the cohort, the number of those with the indicated goals who earn an AA/AS degree or Certificate at any Peralta CCD college or transfer to a 4-yr college, and the number who, regardless of goal, earn an AA/AS degree or Certificate at any Peralta CCD college or transfer to a 4-yr college within the indicated number of years.
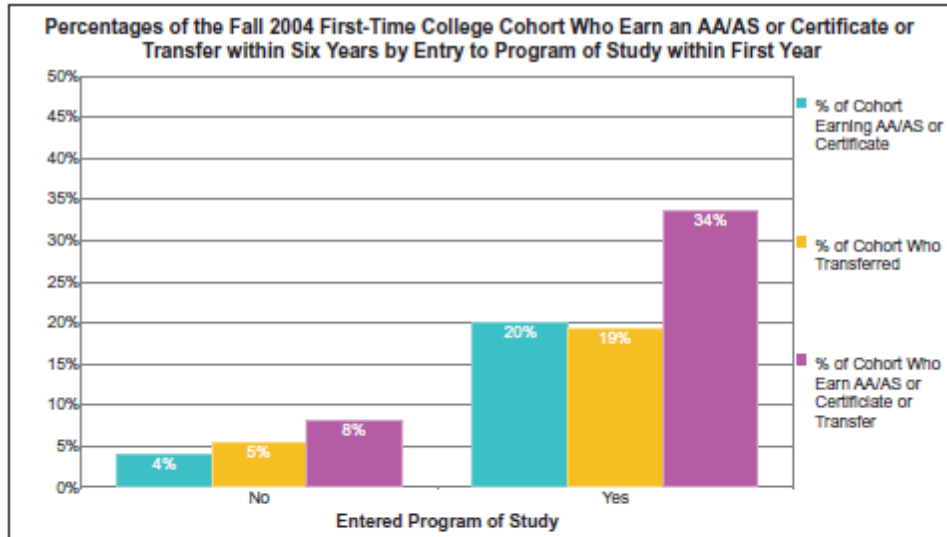
Source: Transfer figures derived from state Chancellor's Office ARCC files for Student Progress and Achievement by matching student ID's of ARCC cohort data (all available cohorts simultaneously) with those of the indicated College's fall entering cohort. ARCC data includes transfers to CSU, UC, and private and out-of-state colleges whose data is available in the National Student Clearinghouse. ARCC data does not specify the institution to which the student transferred.

The analysis of Figure 18 suggests that there is a way to dramatically improve the district's completion rate. The Fall 2004 cohort of first-time college students is divided into those who entered a program of study, such as Allied Health or Computer Information Science, within their first year and those who entered a program later or never entered one before leaving the district. A student is considered, for this research, to have entered a program of study if he or she completed three or more courses in a program with a grade of D or better.

The difference in completion rates of those entering within their first year and those who enter later or never is huge. While only 8% of those not entering a program early complete, 34% of those who do enter a program early complete. In other words, those entering a program early complete at a rate more than four times greater than those entering later or never. Yet less than 30% of the cohort enters a program in their first year. We are working with the colleges to induce or enable a higher proportion of their new student cohorts to enter a program early, thus helping their completion rates improve substantially. The chart and table of Figure 19 displays the results for each program of study.

By making data available to faculty, staff, and administration, we have enabled the colleges and the district to make data driven decisions for improvements to enhance student success.

Figure 18

Percentages of the Fall 2004 First-Time College Cohort Who Earn an AA/AS or Certificate or Transfer within Six Years by Entry to Program of Study within First Year


Count and Percentage Tracking of the Fall 2004 Cohort Who Earn an AA/AS or Certificate or Transfer within Six Years by Entry to Program of Study within First Year

Entered a Program of Study	Count of Cohort	Percent of Cohort	Count of Cohort Who Earn an AA/ AS or Certificate	Percent of Cohort Who Earn an AA/ AS or Certificate	Count of Cohort Who Transfer to 4-yr College	Percent of Cohort Who Transfer to 4-yr College	Count of Cohort Who Earn a Deg/ Cert or Transfer	Percent of Cohort Who Earn a Deg/ Cert or Transfer
Yes	1,143	28%	229	20%	221	19%	384	34%
No	2,942	72%	117	4%	159	5%	240	8%
Totals	**4,085**	**100%**	**346**	**8%**	**380**	**9%**	**624**	**15%**

Note: Entry into a program is defined as passing three courses within a program of study with a grade of D or better within the indicated time period. Counts for Non-Entry reflect the program the student has taken the most courses in without entry during the indicated time period. Thus, where the time period for entry is the first year, the student may have entered a program in later semesters or years or may have taken courses in the program without ever achieving entry before leaving the college or district. Courses taken at any college within the district are included. The first year consists of the fall term of the cohort and the immediate prior summer and the immediate following spring terms.

Source: Transfer figures derived from state Chancellor's Office ARCC files for Student Progress and Achievement by matching student ID's of ARCC cohort data (all available cohorts simultaneously) with those of the indicated College's fall entering cohort. ARCC data includes transfers to CSU, UC, and private and out-of-state colleges whose data is available in the National Student Clearinghouse. ARCC data does not specify the institution to which the student transferred nor periods less than six years.

Figure 19

Number of the Fall 2004 First-time College Cohort by Program of Study Entered within First Year
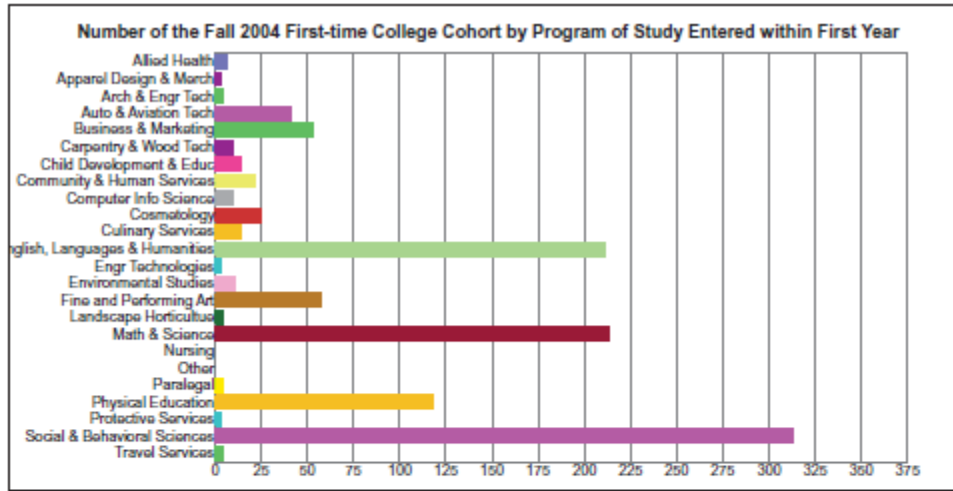
Count of the Fall 2004 First-time College Cohort by Entry/Non-Entry to Program of Study within First Year

Program	Entered in First Year		Did Not Enter in First Year		Totals	
Allied Health	6	14%	38	86%	44	100%
Apparel Design & Merch	3	60%	2	40%	5	100%
Arch & Engr Tech	4	50%	4	50%	8	100%
Auto & Aviation Tech	41	50%	41	50%	82	100%
Business & Marketing	53	31%	119	69%	172	100%
Carpentry & Wood Tech	10	19%	43	81%	53	100%
Child Development & Educ	14	35%	26	65%	40	100%
Community & Human Services	22	55%	18	45%	40	100%
Computer Info Science	10	18%	45	82%	55	100%
Cosmetology	25	54%	21	46%	46	100%
Culinary Services	14	44%	18	56%	32	100%
English, Languages & Humanities	211	34%	411	66%	622	100%
Engr Technologies	3	13%	20	87%	23	100%
Environmental Studies	11	69%	5	31%	16	100%
Fine and Performing Art	57	31%	126	69%	183	100%
Landscape Horticultue	4	40%	6	60%	10	100%
Math & Science	213	36%	376	64%	589	100%
Nursing	0	0%	2	100%	2	100%
Paralegal	4	21%	15	79%	19	100%
Physical Education	118	45%	144	55%	262	100%
Protective Services	3	20%	12	80%	15	100%
Social & Behavioral Sciences	313	37%	537	63%	850	100%
Travel Services	4	100%	0	0%	4	100%
Other	0	0%	913	100%	913	100%
Total	1,143	28%	2,942	72%	4,085	100%

Note: Entry into a program is defined as passing three courses within a program of study with a grade of D or better within the indicated time period. Counts for Non-Entry reflect the program the student has taken the most courses in without entry during the indicated time period. Thus, where the time period for entry is the first year, the student may have entered a program in later semesters or years or may have taken courses in the program without ever achieving entry before leaving the college or district. Courses taken at any college within the district are included. The first year consists of the fall term of the cohort and the immediate prior summer and the immediate following spring terms.

College Responses to this recommendation

As note in the introduction to this response, each of the four Peralta colleges (Berkeley City College, College of Alameda, Laney College, and Merritt College) also was required to respond to this recommendation. The colleges were requested to "evaluate the impact of recent and future decisions on the college's ability to sustain programs and services." The following college responses were taken from each college's Midterm Report.

Berkeley City College
Berkeley City College's mission is to promote student success, to provide our diverse community with educational opportunities, and to transform lives. The college's planning and budget structure, its venues for dialog, its continuous improvement approach, and its continued advocacy for students allow it to sustain programs and services, during times of revenue growth and during revenue cut-backs.

Operational Changes
There are several significant policy and fiscal developments which have provided important resources for Berkeley City College to effectively serve students with high quality support services and instructional programs now and into the future. These include the following:
-   Approval of a district-wide budget allocation model, which seeks to ensure funding equity across all colleges in the district, including Berkeley City College by 2011-2012.
-   The commitment by district administrators to support the purchase of a building with $12 Million in Measure A bond funds so that key space needs related to the number of students currently served can be addressed (faculty offices, classrooms, study spaces, a DSPS student services hub, and specialized instructional areas). The Peralta General Services Department identified this as a key project to be completed by June 30, 2012.
-   Allocation of $1 Million in Measure A bond funds for much-needed technology updates, library materials, and equipment purchases.
-   Commitment by the District Fiscal Services department, including the Information Technology unit, to provide centralized funding for library database annual renewals.
-   Implementation of a district-wide staffing plan, to ensure available funds are allocated to staffing priorities; one purpose of the staffing plan is to establish staffing parity across the colleges, including Berkeley City College.
-   Utilization of faculty transfer procedures in Spring 2011 and Fall 2011 to enable the movement of faculty from other Peralta colleges to Berkeley City College in order to achieve parity in full time faculty.
-   Approval of funds for the continuation of BCC's strong department chair model in administering the instructional programs with fewer full time administrators in the Office of Instruction. For the 2011-2012 academic year, a negotiated reduction in department chair reassigned time left the college with 1.6 Full Time Equivalent Faculty for administration at the program and departmental level. In response to the college's request to be made whole in the funding necessary to achieve desired chair and coordinator support, the college was able to fund 6.2 full time equivalent per semester for oversight of departments, coordination of specific programs, and coordination of Career-Technical Education (CTE) initiatives.

- Recruitment for two instructional deans into the positions held vacant since July, 2010 in the wake of hiring freezes.

Special Funding

Berkeley City College faculty and staff leaders, working with administrators, have made special funding opportunities a priority. While the primary resource for funding remains state general fund allocations along with annual categorical funding streams, supplemental funding is providing key additional revenue support. These special funding sources are crucial to the continuous improvement of programs and services at the college, especially with the reductions of state funding in recent years.

- Director of Special Projects- funded by the Title III grant, this full time classified manager position offers grant management and project oversight for activities related to basic skills students and to assessment across the college.
- Title III grant: with $2 Million funded over five years, beginning October 2009, and eligibility to seek additional funding thereafter, this is a key funding source for the college. These funds support multiple activities to improve the outcomes for basic skills students, and support a culture of assessment at BCC.
- TRIO grant: $1.1 Million over five years beginning October 2010, and eligibility for additional funding thereafter. This project is enhancing student services and supplemental instructional support for at-risk students.
- CTE grants: a number of CTE grants, bringing over $150,000 per year to BCC, provide the resources to strengthen career-technical education, and enhance pathways for students from high school through college and on to careers.
- A $1.1 Million grant from the California Institute for Regenerative Medicine (CIRM) funds a program of paid internships for biotechnology students who are placed in area laboratory environments at the end of their Berkeley City College program.
- Contract education: partnerships with area high schools have permitted the continuation of high school-to-college pathways through leveraging of funding and offering specific courses at high school locations.
- Community supporters: Through the special funding initiative of the college president, Berkeley City College has developed ongoing relationships with donors in the community who have provided approximately $50,000 through The President's Circle in flexible funds to support college needs.

Inter- and Intra-district collaboration

The effective provision of programs and services at Berkeley City College is sustained, in part, by creative collaborations with the other Peralta colleges and with colleges in neighboring districts. Highlights of these efforts:

- Beginning in Fall 2009, the Peralta District FLEX days each semester have included meetings of discipline faculty from the four colleges. The meetings, co-facilitated by administrators and faculty leaders, have promoted thinking about ways in which the disciplines can be strengthened through collaboration. Several disciplines, including English as a Second Language, Business, English, and Computer Information Systems, have extended meetings throughout the semester.
- Student Services leaders from the four colleges have coordinated and collaborated on resource sharing through communication and consolidation. The strategies include

maintaining core and mandated services on campus (DSPS, EOPS, Matriculation, etc.), while consolidating or centralizing non-core services (health services, etc.). Being fully committed to student success despite the economic climate, BCC will continue to implement student services that maximize operational efficiencies and enhance student success, e.g., alternate evening entry services on four campuses, counseling triage and eCounseling.
- With assistance from the Peralta District office, the colleges have collaborated on grant seeking and grant applications. Grant project managers across the district now meet on a monthly basis.
- The four Peralta colleges, including Berkeley City College, have joined with the three Contra Costa Community College District colleges in successfully achieving a state Career Advancement Academies grant. The alternating of administrative responsibility and the sharing of effort has created several sustainable models for delivery of career-technical education to at-risk students served by the colleges.

Schedule Reductions
Beginning in Fall, 2009, budget reductions resulting from district financial exigencies and statewide funding cuts have resulted in a steady decline in the number of students served. On the one hand, the gradual reduction each year in numbers of students served has ameliorated some of the extreme staffing shortfalls created during the period from Fall 2006 to Spring 2009 when growth significantly exceeded projected levels (though some of the longstanding understaffing conditions continue). On the other hand, schedule reductions require an increasing mindfulness of student pathways and the need for incoming students to be able to complete educational goals within reasonable time frames.

Among the values and principles for schedule reductions are the following:
- Maintain the schedule within the funding levels;
- As much as possible, maintain stability in the schedules once classes are publicized to students;
- Assess enrollments, enrollment trends, and student retention numbers in determining sections to cut;
- Use program completion data and transfer numbers from the disciplines to allocate resources; focus on programs where students are completing, as well as on courses which meet general education or other significant transfer requirements;
- Create 2-year and 3-year course rotations for scheduling classes in a manner that supports student completion;
- Have cross-program and cross-departmental transparency and dialog to ensure student needs are met and breadth and depth of programming are preserved; and
- Support new programs and new courses that enhance student success.

During the 2011-2012 year, BCC's instructional departments are reviewing data and discussing strategies for ensuring that courses and programs offered across the curriculum in 2012-2013 will permit student completions in two-year and three-year trajectories depending on the numbers of units taken by students. This analysis will ensure that additional schedule reductions are made with students in mind, preserving course offerings and programs in which continuing

students are progressing and providing entering students with options they will be able to complete successfully.

Operational Budget Cuts
Berkeley City College has been asked to make budget reductions in each of the years since 2009-2010. It has been the commitment of senior administration to provide information as the situations develop, to seek college input and make full use of governance bodies to determine processes for making reductions, and to make budget reduction decisions fully transparent.

The college governance bodies worked together to develop guiding principles for budget reductions:
- Support student success, access and equity.
- Maintain the highest quality of instruction and services.
- Keep cuts away from the classroom, as much as possible.
- Support continuing students over new students in categorical programs.
- Support critical initiatives such as basic skills.
- Seek input from the shared governance process.
- Maintain transparency, collaboration and communication.
- Support instruction and student services.
- Recognize that building maintenance and security enrich the learning environment.
- Gather ideas to reduce expenses and increase revenue.

These principles were used to address approximately $480,000 in budget reductions over two years. As a result, the quality of programs and services at Berkeley City College has remained at a high level and necessary efficiencies and modernization efforts have provided positive results. Despite the continuing willingness of faculty, staff, and administrators to work above normal expectations, BCC and the district continue to work collaboratively toward the implementation of a resource allocation model.

College of Alameda
College of Alameda's mission is to serve the educational needs of its diverse community by providing comprehensive and flexible programs and resources that empower students to achieve their goals. The College's planning and budget structure, venues for dialog, continuous improvement through assessment, and ongoing support for students allow the institution to sustain programs and services during times of budgetary growth and budgetary reductions.

Operational Changes
There are several significant policy and fiscal developments which have provided important resources for College of Alameda to effectively serve students with high quality support services and instructional programs now and into the future. These include the following:
- Approval of a District-wide budget allocation model, which seeks to ensure funding equity across all Colleges in the District, including College of Alameda by 2011-2012.
- The commitment by District administrators to replace the current, dilapidated C & D educational buildings via the purchase of a 75K sq. general education and science building structure with $37.5 Million in Measure A bond funds, such that key space and

technological needs related to the number of students currently served can be addressed (faculty offices, classrooms, study spaces, areas for community gatherings, a DSPS student services hub, updated technology, adequate Science related labs, and other specialized instructional areas). The Peralta General Services Department is also supporting 3.6 Million in swing space to provide students, faculty, and instructional spaces necessary to sustain academic integrity and student enrollment during the new build. General Services has identified this new C & D educational building as a key project to be completed by December 31, 2014.
-   Allocation of $2.7 Million in Measure A bond funds for much-needed technology updates, library resources, and equipment purchases.
-   Commitment by the District Fiscal Services department, including the Information Technology unit, to provide centralized funding for library database annual renewals.
-   Implementation of a District-wide staffing plan, to ensure available funds are allocated to staffing priorities at every College across the District.
-   Recruitment for one instructional dean and two Information Technology staff into the positions held vacant since July, 2011 in the wake of hiring freezes.

Alternative Funding
College of Alameda faculty and staff leaders, working with administrators, have made special funding opportunities a priority. While the primary resource for funding remains state general fund allocations along with annual categorical funding streams, supplemental funding is providing key additional revenue support. These special funding sources are crucial to the continuous improvement of programs and services at the College, especially with the reductions of state funding in recent years.
-   Career and Technical Education (CTE) grants: a number of CTE grants, bringing over $150,000 per year to College of Alameda, provide the resources to strengthen career-technical education, and enhance pathways for students from high school through College and on to careers.
-   ATLAS (Alameda Transportation and Logistics Academic Support): Approximately 3 Million in state and federal grants over the past 2.5 years to provide a unique workforce development training program for underserved and underrepresented populations to gain the knowledge and skills necessary to be employed in the Logistics Industry including warehousing, transportation, distribution and logistics.
-   Job Development Incentive Fund (JDIF): In partnership with Las Positas College, approximately $300K grant from State Chancellor's Office, California Community Colleges Economic and Workforce Development Program, to implement a comprehensive strategy and program to recruit, train and prepare new job entrants for employment in direct services for people with disabilities; upgrade the skills of incumbent direct services workers to improve retention and facilitate advancement along a career ladder; and develop over the long term a career pathways model for the developmental disabilities health and human services sector that is aligned with the industry outcomes and linked to continue certificate, degree, and career advancement options. This grant project was implemented in fall 2011 in collaboration with representatives of business, labor, and professional trade associations to explore and develop new alternatives for assisting incumbent workers. A key objective is to enable

incumbent workers to become more competitive in their region's labor market, increase competency, and identify career paths to economic self-sufficiency and lifelong access to good-paying jobs.

- Violence Prevention Initiative (VPI): As a tangible response to increased violence within our Greater Oakland and East Bay communities, College of Alameda, in partnership with the Peralta Community College District and the East Bay Local Development Corporation (EBALDC), leveraged resources and funds (approximately $20K from EBALDC and $10K from The Peralta Foundation) to develop and implement in fall 2010 a Certificate of Proficiency in Violence Prevention Strategies for College ready individuals who are interested in working in the field of violence prevention and exploring VPI leadership; to gain prevention and intervention knowledge and skills relative to the field of violence prevention and local community peace building; to develop community based action research through and internships; and, to increase career pathway goals through the completion of this 10-Unit Certificate of Proficiency.
- Community supporters: Through the special funding initiative of the College president, College of Alameda has developed ongoing relationships with donors in the community who are expected to provide approximately $100K in flexible funds to support College needs during the next year through the fundraising efforts by the President's Roundtable.

Inter- and Intra-District collaboration

The effective provision of programs and services at College of Alameda is sustained, in part, by creative collaborations with the other Peralta Colleges and with Colleges in neighboring Districts. Highlights of these efforts are:

- Beginning in fall 2009, the Peralta District FLEX Days each semester have included meetings of discipline faculty from the four Colleges. The meetings, co-facilitated by administrators and faculty leaders, have promoted thinking about ways in which the disciplines can be strengthened and work collaboratively to build streamlined course offerings, reduce redundancy through program re-alignment or consolidation, engage 2-year academic scheduling, as well as coordinate course offering times, dates, and frequency for ease of students who are attending multiple Peralta Colleges. Several disciplines, including English as a Second Language, Business, English, and Computer Information Systems, have extended meetings throughout the semester.
- Student Services leaders from the four Colleges have coordinated and collaborated on resource sharing through communication and consolidation. The strategies include maintaining core and mandated services on campus (DSPS, EOPS, Matriculation, etc.), while consolidating or centralizing non-core services (health services, etc.). Despite the economic climate, College of Alameda will continue to implement student services that maximize operational efficiencies and enhance student success.
- With assistance from the Peralta District office, the Colleges have collaborated on grant seeking and grant applications. Grant project managers across the District now meet on a monthly basis. This has increased the ability of the four Colleges and District to better leverage internal and external resource and grant funding. This will allow us to better serve our collective students and community members; and, with more frequent and purposeful communication and newly imposed grant procurement and management processes in place.

- The four Peralta Colleges have joined with the three Contra Costa Community College District Colleges in successfully achieving a state Career Advancement Academies grant. The alternating of administrative responsibility and the sharing of effort has created several sustainable models for delivery of career-technical education to at-risk students, who are served by all the colleges. College of Alameda received $200K in funding, which will provide intensive career technical education to approximately 50 students (two cohorts) to become Diesel Technicians in the Transportation and Logistics industry.

Schedule Reductions
Beginning in fall 2009, budget reductions resulting from statewide funding cuts and District financial exigencies have resulted in a steady decline in the number of students served. On the one hand, the gradual reduction in numbers of students served each year has ameliorated some of the extreme staffing shortfalls created during the period from fall 2006 to spring 2009 when growth significantly exceeded projected levels. On the other hand, schedule reductions require an increasing mindfulness of student pathways and the need for incoming students to be able to complete educational goals within reasonable time frames.

In September 2011, the State Chancellor's Office gave warning that two, and potentially three, triggers would be exacted by their office if the state budget continued on the downward spiral of budgetary cuts and reduction in funding allocation to the state's 112 community Colleges. In response, criteria and principles for schedule reductions were collaboratively discussed and agreed upon by College faculty department chairs and administration. Faculty department chairs appointed a nine member Faculty Task Force, with welcomed contributions from the academic dean and vice president, to use the following criteria in decision making prior to taking action on a course or program for the academic year 2011-2012:
- Remain in compliance with faculty contract;
- Align with ILO's, PLO's, & SLO's;
- Determine if this is a "gateway" course;
- Innovation is being used to increase success and meet industry, business, & transfer demands;
- Retain variety of class times and formats;
- Assess whether the course or program is part of degree or certificate and the number of degrees/certificates awarded in this area;
- Assess pre-requisites, frequency of course offerings and sequence of courses;
- Determine if the course or program is grant funded or other than general fund supported;
- Assess enrollments, enrollment trends, degree completion, and student retention numbers;
- Determine if the course is part of a restricted entry program (e.g., Dental Program);
- Assess department efforts for "meaningful change" and innovation;
- Identify robust evidence of pedagogical changes, faculty dialogue, and best practices followed;
- Review course and program format, scheduling, and frequency of offering;
- Determine if there is exists appropriate level of expansion to meet student needs, or changing demographics, or discipline needs;
- Assess evidence of inter-disciplinary and inter-departmental efforts to increase productivity and support basic skills;

- Determine program review is robust and complete and is being used to assist in ongoing assessment;
- Assess what needs were identified in the Program Review and Annual Program Update (APU);
- Maintain the schedule within the funding levels;
- Maintain stability in the schedules once classes are publicized to students as much as possible;
- Use program completion data, productivity, retention rates, and transfer numbers from the disciplines to allocate resources; focus on programs where students are completing, as well as on courses which meet general education or other significant transfer requirements;
- Create 2-year and 3-year course rotations for scheduling classes in a manner that supports student completion;
- Have cross-program and cross-departmental transparency and dialog to ensure student needs are met and breadth and depth of programming are preserved; and
- Support new programs and new courses that enhance student success through alternative funding sources.

Throughout the 2011-2012 year, College of Alameda's instructional departments continue to review data and outcomes assessment findings and discuss strategies to ensure that courses and programs offered across the curriculum in 2012-2013 will permit student completions in two-year and three-year trajectories depending on the numbers of units taken by students and of what constitutes completion for them. This analysis will assure that additional schedule reductions are made with students in mind, preserving course offerings and programs in which continuing students are progressing and providing newly entering students with options they will be able to access and successfully complete.

Operational Budget Cuts
College of Alameda, like many colleges through the state, made budget reductions in each of the years since Academic Year 2009-2010. It has been the commitment of administration to provide information as the budgetary situations develop, to seek College and shared governance committee input to determine criteria and processes for making reductions, and to make budget reduction decisions fully transparent to all College constituencies.

The College shared governance bodies worked together to develop guiding principles for budget reductions:
- Preserve the breadth of offerings in degree, transfer, vocational and basic skills programs To the extent possible;
- Maintain breadth by staggering offerings of certain electives;
- Maintain access to established pathways to degrees, certificates and transfer preparation;
- Take care not to lengthen the time necessary for students to complete their degrees, certificate or transfer preparation wherever possible;
- Take care not to disproportionately affect any particular student population;
- Recognize that productivity should not be the only criteria or health indicator by which courses are preserved or cut;

- Be sure not to eliminate programs without following a specific procedure, which requires a thorough review and timeline;
  - -NOTE: Programs may be placed on hiatus as a temporary plan to reduce expenditures with the understanding that the program be reviewed for either restructuring or elimination dependent upon results of a thorough analysis including student demand;
- Avoid reductions that may threaten the viability and integrity of programs;
- Communicate during the scheduling period with colleague faculty members in same and different disciplines regarding additional section reductions;
  - -NOTE: If State reduction in FTES apportionment is not as severe as anticipated, all load cuts should be returned proportionally to the departments

These principles were used to address approximately $450K in budget reductions over two years. As a result, the quality of programs and services at College of Alameda has remained consistently at a high level of rigor and efforts to foster and use alternative revenue sources has augmented necessary programmatic, services, or equipment needs to provide positive results. Despite the challenges that cuts to the College's operational budget have rendered over the past two years, at College of Alameda there continues a strong conviction and willingness of faculty, staff, students, administrators, and community members to work above normal expectations in order to meet our mission and serve those most in need of transformation, education, and employment career.

The future sustainability of programs and services at College of Alameda lies in its greatest resource: faculty, staff, and administrators. Our College exudes passion, compassion, and dedication to our three initiatives: Academic excellence, Budgetary Competency, and Community Collaboration, the College's A-B-C's. We continue to employ internal and outreach strategies to ferret out additional means for financial sustainability.

Laney College
Introduction: Beginning in January 2010, the Peralta Community College District began a series of rigorous measures to improve its fiscal stability. Implementation of these measures was led by a forensic accountancy team hired by the District to identify the scope of Peralta's structural deficit and its OPEB bond liabilities and to assist the District in initiating the changes necessary to regain fiscal stability. Changes in key senior financial services personnel were also crucial in leading the fiscal recovery process. Strategic actions including changes to systems, structures and resources that were led by the District Chancellor and College Presidents were also taken. These measures accelerated the District's austerity measures and ensured that it was able to regain fiscal stability. As this occurred, the State of California budget for community colleges continued to decline, adding significant reductions to the college's budget for state funded categorical programs and funded course sections as part of workload reductions and overall decrease in apportionment.

The District and its Colleges are to be commended for taking critical steps to establish a path to fiscal recovery and accountability. This document will summarize the cumulative impact on Laney College resulting from those reductions and cost containment measures and describe some

of the most salient measures the college has taken to maintain quality student learning programs and services. In short, it will reveal how the college has ensured that it has sufficient financial resources to support quality student learning programs and services even though it continues to operate within severe fiscal constraints.

This response provides an explicit discussion revealing how the college is meeting Eligibility Requirements #5 Administrative Capacity and #17 Financial Resource requirements.

The Impact of Financial Decisions on Educational Quality and the College's Actions to Resolve Deficiencies
Laney College measures its ability to achieve educational quality based on meeting the standards of the accrediting commission as reflected in its mission and the Laney College Educational Master Plan. As such, Laney College's goal for fiscal capacity is to have sufficient resources to meet the mission of the college by adequately supporting quality student learning programs in transfer and career technical education, foundation skills and support services.

Summary of Laney College Budget-Related Changes

Reduction in General and Categorical Fund budget allocations. During the last three years, Laney College witnessed a significant reduction in its overall funding of which over $7.4 million was in the general fund and approximately $1.3 million was in categorical funds. The later was due largely to State cuts that range from 14.6% to over 50% depending on the categorical program. The State has given districts flexibility to allocate categorical funding as deemed most appropriate given these sharp reductions. This allowed the districts/colleges to re-organize, downsize or otherwise reconstruct particular categorical programs as deemed appropriate. Laney College leveraged this opportunity by developing a re-organization plan for EOPS, CARE and CalWORKs, consolidating these programs into one unit. In doing so, the College will be able to mitigate the impact of categorical budgets cuts to programs serving special populations.

Budget subsidization from acquisition and use of alternative funding sources and other resources. The College actively pursues grants and gifts of expensive instructional supplies and equipment as well as in-kind services.

Grants and contract funds. Laney College has secured grants and contracts to provide supplemental fiscal support to ensure its ability to deliver quality student learning programs and services. During the 2010-11 year faculty and staff leaders working with administration received approximately $4,378,480 in grants. With the reduction of state and district funding, Laney College faculty, staff and students identified "increased alternative funding" as one of the college's goals for the last two years. The grants have supported learning communities and augmented support services for academically underprepared and other student communities such as CTE students in industrial manufacturing and clean energy, including the machine technology, electrical technology, carpentry, and environmental control technology programs. Grant and contract funds have also been used to partially or fully pay for sections of classes that would otherwise not be offered, thus cushioning some of the impact of class reductions on the master schedule.

Donations. During fiscal years 2008-09 through the present, Laney College has obtained in excess of $200,000 worth of equipment and supplies from a diverse set of industry partners, foundations, and private individuals. Ranging from heating, ventilation, air conditioning and refrigeration condensing units from UC Berkeley, solar panels and inverters from Chevron Energy Solutions, to laboratory demonstration models for combustion safety from Pacific Gas and Electric, these items are essential to providing students with the tools required to acquire the knowledge and skills that lead them to successful achievement of certificates and degrees as well as prepare them for careers and transfer to accredited colleges and universities. In addition, many gifts have significantly enhanced the overall quality of career and technical education programs while also demonstrating a dedicated investment of external organizations and industries to aid in the success of Laney's most flourishing units. This effort is led primarily by faculty and deans given their expertise and professional networks within particular industries. These funding and gift sources are vital for special projects as well as support of core classes and continuous improvement of established programs and services at the college. Grants have also been used to partially offset reductions to hourly instruction, thus preserving program integrity.

Measure A funds resulted from local passage of the $390 million bond by the same name. It supports the District and its colleges in the areas of facility improvements, technology, instructional and non-instructional equipment, and library support. A total of $144,790,514 was allocated to Laney College mainly for construction projects but also including instructional equipment purchases. During 2011-12, Laney College has a Measure A discretionary budget of $3,979,737. These dollars can and have been used to upgrade technology, furniture, and library collections while also supporting much needed facilities repairs and renovation projects and addressing equipment needs.

In general, Laney College runs its operations in ways to be fiscally prudent while it also secures additional resources that ensure its ability to meet the needs of students and its existing programs and services while also best preparing to usher in new programs as external and internal demands require. Thus, the College has altered its operations in ways to allow it to contract as well as expand in ways to help insure the quality of its student learning programs and services.

A Summary Analysis of Fiscal Impacts and College Remedies and Solutions Sought
While the college continues to provide quality student learning programs and services, particular areas have been affected by fiscal conditions, namely class offerings, staffing, college resource supports and district services.

Class Offerings. In order for students to successfully complete the 43 certificate and 44 degree programs, the college offers the required courses in a rational way. Historically, the college has offered a steady increase of courses and class sections to where in fall 2008 and spring 2009, the level of sections reached over 958 and 1,032, respectively, serving in excess of over 15,600 students. This steady growth reflected both local enrollment demands and followed a long-standing sprint to meet such demand. Yet by 2009-10, the State began its precipitous decline in funding of the workload required to sustain even pre-2009 level enrollments: thus, the marked reductions in student enrollment required in subsequent years. Currently, the spring 2012 class sections have been reduced to 786 with student enrollment back to the levels during the early years of 2000 at 12,000.

College Solutions that improved quality and supported student progress and success: Strategically, the college reduced class sections in areas such as activities deemed less essential to students' successful and efficient completion of the certificate and degree programs. The college consolidated offerings, used external partnerships, and increased scheduling efficiencies across district colleges to maximize students access to required sections. In other ways, the college rationalized the class schedule. It streamlined program requirements, offering sections less frequently, cutting lowest level basic skills classes, increasing class sizes, etc. In addition, the college developed more rigorous basic skills curricula with fewer levels – aligned with researched effective practices; conducted more research to ensure the use of more evidence-driven effective practices; and advocated to the district vice chancellors of student services and educational services for the automation of priority registration for current students and other special needs students to ensure their progress and increase graduation and transfer rates.

Staffing – Faculty and Classified Staff. Between 2001-2008, the college leveraged district support systematically to improve staffing at the college to where it had 128.8 full-time faculty—instructional, counselors, librarians—and, in 2009, 106 classified staff—while maintaining a diverse set of part-time faculty and temporary staff support personnel. During the last three years, the college has had to reduce staffing overall. Now, there are 112 full-time faculty and 69 permanent classified staff.

College Solutions that neutralized what would otherwise have produced a negative impact on the quality of student learning programs and services due to decline in the number of full-time faculty: The college continues its shared governance practice of annual prioritization of staffing needs to ensure a robust analytical planning effort. This practice enables the college to re-think and appropriately update its programmatic and service area priorities consistent with current needs to advance the College's Educational Master Planning agenda. At the Administrative level this process included temporary hires, and it positioned the college to efficiently secure a set of essential temporary hires.

Other remedies to the decline in permanent staffing has entailed: developing more on-line tools for students and faculty such as orientations and professional development; hiring part-time consultants to develop the web page with educational course and program details for students; reorganizing staffing units i.e., library in order to maximize expertise and adequately address workload demands; requesting reclassifications of current employees in several areas of the college to address increased workloads and more accurately depict consolidated work assignments; providing an up-to-date list of priorities to reflect the college needs within the fiscal constraints and offering flexibility in helping the district to help the college resolve each; informing District level staffing priorities that support all colleges, yet with the primary focus on systematically addressing Laney College's needs; and securing external sources of funding to augment staffing i.e., counseling services in learning communities for targeted students to support groups in and out of classrooms. Further the college counseling and other faculty are devising other methods to address the needs of students for more orientations, on-line guidance and self-directed academic planning.

College Solutions that neutralized what would have negatively impacted the quality of student learning programs and services due to the decline in the number of <u>full-time classified staff</u>: the college addressed the effects on its programs and services of the suspension of several classified positions by taking specific actions. For example, the elimination of the college Public Information Officer position, necessitated that particular responsibilities in public relations, print and online publications, and college website maintenance would be absorbed or re-assigned. As a result, it ratcheted up the distributed system employed by the <u>Laney website</u> with more faculty and staff updating departmental and service area Web pages. In addition, college administrators assumed strategic communications activities formerly provided by the college PIO. Another example entailed the college work along with the district and sister colleges to support <u>centralizing institutional research</u> so that an increasing body of data, analyses and reports would be available online to support institutional planning processes. In addition, the college hired a consultant to augment this effort with more targeted analyses of particular mission-driven matters such as comparative or longitudinal data on cohorts in foundation (basic) skills courses and programs.

In terms <u>of job placement services</u>, now the college relies more heavily on its faculty especially those in career technical education (CTE) programs to facilitate opportunities for students via their industry advisory committees/councils. With the recent administrative reorganization of the once Office of Instruction and Office of Student Services into the Office of Academic and Student Affairs, the Dean of CTE is charged with developing a robust career development center that ensures students obtain internships, jobs and are otherwise able to successfully pursue careers. An entire wing of the Laney College Tower is being renovated to serve as the Career Center.

The college is addressing the gaps resulting from the absence of a <u>student activities advisor</u> in part via the transitioning of its outreach coordinator into this role via an out-of-class assignment with plans for cross training. In the meantime, this professional has already engaged directly with the leadership of the Associated Students to help address some of the student advising and other demands associated with coordinating activities and supporting sound leadership among students. In the meantime, the Dean of Liberal Arts—who is also the college unofficial facilities manager—is performing some of the vital aspects of this role in the areas of government, clubs, events, problem solving, awards, and graduation.

Historically, <u>tutoring</u> has been provided by departments, disciplines and separately via a general tutoring program. With the anticipated loss of the only permanent staff who supported general tutoring, the college centralized the coordination of tutoring and assigned it to the faculty who helped to design the tutor training program. By doing this, the college leveraged the previously widely dispersed expertise of faculty into a more rigorous program design that supported all of the discipline-focused and general tutoring of the college. Training became centralized under the leadership of this faculty coordinator. Other benefits were derived as well that included greater collaboration among instructors in different disciplines/divisions, and better trained tutors who understood adult learning and pedagogy as well as acquired essential cultural competencies.

The college's Instructional Technology report of the mid-2000s and its subsequent Educational Master Plan made clear that the college was severely understaffed in IT staff. In anticipation of the increased difficulty the programs and services of the college might face, the administration with the help of its IT classified staff organized, this unit into a collaborative team. As a team, the individual IT technicians, college network coordinators and instructional support assistants no longer worked to support a single unit of the college. Rather, they now work together to address the technology needs of the college wherever the need surfaces. Thus, if a technician formally assigned to the college technology center is needed to assist in the James Oliver Writing Center or the Math lab, he would join his colleague in that area and provide direct support as needed. Through this team approach to supporting the college's IT needs, the work required to manage and ensure the effective operations of over 2000 computers, 20 labs, several critical database systems and numerous personal computers and for the college's infrastructure of servers, etc. can be assured. With this approach, the college has witnessed enhanced partnership within the college and with district IT professionals who have helped facilitate the work of the college.

In summary, the College remedies to the classified reductions included: hiring of a consultant to update Laney website while also using internal faculty, staff and administrators to add and update essential content; assigning all college tutoring to a faculty lead; relying on District Institutional Research Office for research support, and hiring a consultant to help address a few of the high priority research projects directly aligned with its emphasis on strengthening foundation "basic" skills education and improving the outcomes of the traditionally under-represented students in higher education; reorganizing the work of IT staff while also reassigning particular IT staff to temporary roles to ensure full-time coverage of the CTE instructional labs while leveraging all of the few staff members to address time sensitive and other operational matters i.e., efficient installation of SMART classroom infrastructure via use of the very limited overtime discretionary funds; supporting ASLC leaders and clubs via the division dean and outreach coordinator; and strategically investing the limited discretionary and grant resources to support short-term hiring of staff and other support personnel.

College Resource Supports –Instructional/Student Support Services & Equipment, and Supplies. In general, the college has developed its support structures for administrative, instructional and student services units, and most have been formal parts of the college's organized efforts for over twenty years. The support structures have included using instructional aides for learning labs and student assistants in support of key service units; and securing new equipment and supplies for routine and innovative educational efforts. *Tutoring & Office Supports – Instructional Aides & Student Assistants* typically could be found in instructional labs and service offices throughout the campus to help facilitate services to students. Programs such as *EOPS/CARE, CalWorks, DSPS, Financial Aid, Safety Aides* were beneficiaries of this support and direct leadership from college personnel. In addition, e*quipment and supply levels* were more liberal and predictable allowing for a greater range of options to meet instructional and student support services needs.

College Solutions that helped to ensure quality support for student learning programs and services included: centralizing coordination of all tutoring—instructional support activities of the college while respecting the need for specific disciplines to continue direct supervision

given the particular competencies required of the instructional aides/tutors. As well, the college reassigned roles to other personnel to improve communications and facilitate particular work i.e., coordination of the Safety Aides with district service centers. In doing so, it is working to reduce redundancies and otherwise guard against any negative impact of on the safety of the college. Another solution relates to financial aid concerns. In collaboration with its sister colleges, the college encourages vetting of policies and procedures before adoption, and to do so through a District/colleges' Financial Aid Oversight Committee in order to troubleshoot and recommend effective solutions to the operation and delivery of services to students attending colleges in the PCCD.

Other college solutions include: developing a plan for integrating EOPS, CARE and CalWORKs categorical programs to leverage limited resources, and minimize duplication of services; partnering with outside agencies to provide tutoring and partnering with four year institutions to create internships for learning disabled student support as well as counseling; target timing of the work hours of staff who now have a 10-month contract (reduced from a 12-month assignment) to align with the year-round demand for services within DSPS; levering the district's new full-time Financial Aid Director to streamline operations and render file completion rates, customer service and securing checks more efficient and effective. This spring 2012, district FA has implemented the Higher One automated check deposit system to expedite students' access to approved funds.

Student Services leaders from the four colleges have ratcheted up their coordination. They have collaborated on resource sharing through communication and consolidation. The strategies include maintaining core and mandated services on campus (DSPS, EOPS, Matriculation, etc.), while consolidating or centralizing particular services (health services, interpreter coordination via Laney College). Being fully committed to student success despite the economic climate, Laney College will continue to implement student services that maximize operational efficiencies and enhance student success.

District Provided Services and Functions. A number of critical college functions are provided centrally by the Peralta Community College District office. These functions include: (1) Information Systems software and hardware backbone, (2) Admissions and Records, (3) Financial Aid, (4) Finance and Purchasing, (5) General Services including strategic facilities planning, fire life and safety, campus maintenance, and security functions. Key resources including staff have been affected in all of these units.

District/College Solutions: The nature and impact of the district's support has been influenced directly by the colleges' advocacy. For example, in General Services and with the capital improvements and maintenance efforts, the college leveraged its existing college Facilities Planning Committee to help identify and document campus facilities needs, recommend priorities for campus improvements, and participate in shared governance processes at the District level to advance the Educational Master Plan agenda.

With the $390 million in Measure A bond funds available for facilities improvements, the Laney College community actively worked with this and other district service centers to ensure that key areas of the college would transform from its earlier decrepit state to where it

now has renovated classrooms, improved instructional/lab technologies and SMART classroom technology – projects funded with campus' share of these funds. More specifically, four major projects have been completed or are near completion on campus: (1) $23 million campus wide interior makeover which included improved interior conditions in classrooms such as lighting, paint, floors, and window coverings, laboratory improvements such as exhaust systems in several labs, improved electrical infrastructure, and improved chemical storage; (2) $4.7 million ADA project; (3) $7.6 million renovation to the college's baking, advanced culinary, and fine dining room; and (4) $19.7 million field house and athletic field improvements. In progress is an $8.5 million renovation to the Tower building; a $23 million renovation to the student center, which has been approved by DSA and awaits Tower renovation completion to initiate project. There was also an expenditure of $2.2 million to provide cooling to computer labs in the upper 'F' and 'G' buildings, and $4.5 million is set aside for installation of photovoltaic panels on campus. An additional $33.5 million is currently set aside for construction of a new multi-story library and learning resource center building with at least an additional $20 million required in state matching funds to complete the proposed project. The college facilities master plan developed by the campus community reflects the majority of these and other salient priorities.

Campus Security Services. These services are also centralized at the district under General Services. In partnership with General Services, the college has ensured that the campus security system is being updated for full activation of the alarm system, 24/7 security contracted services through the Alameda County Sheriff's Department, improved secured areas of the campus i.e., gates, lower entry ways, and training of Safety Aides, installation of security cameras by spring 2012 and design and implementation of other required monitoring systems.

College Administrative Supports. As part of discussing the administrative capacity of the college (see below), the College experienced a reduction in funding of department chair release time (42%), faculty service on tenure review committees, and faculty coordination of staff development.

College Solutions: The college employed faculty-driven strategies to ensure that these changes would not adversely affect the quality of its student learning programs and services. Department chairs and program coordinators worked with their deans and the executive vice president (EVP) to ensure that curriculum development, reviews and revisions, oversight for adjunct faculty for large departments and annual updates of the program reviews were among the essential functions that they would continue to address. Their commitment was matched with administrators' incentives including use of alternative sources of funds to compensate for at least a marginal amount of the time invested. Faculty and administrators invested more time to support one another. With no compensation, a department chair also assumed leadership for coordinating staff development. Administrators took special care to encourage faculty to participate as members of tenure review committees, as part of their college service, and as an integral part of building faculty competence and community. Other faculty members are taking the lead to develop rich, substantive staff development programming that reflects the training needs of faculty and classified staff especially in the areas of assessment, accelerated learning, contextualized learning and educational leadership.

To provide more support, administrators used operational planning and assessment retreats for all academic and student affairs staff; regular check-ins via the Administrative Leadership Council meetings to discuss issues related to the implementation of the re-organization; Town-Hall meetings to keep the college community apprised of changes and associated effects of those changes, and also to hear (and to use) feedback from the faculty, students and staff; advocacy for district level joint academic and student affairs meetings, as has occurred at the College; centralized communications to all employees via website, newsletters and electronic mail; and shared responsibility to attend leadership meetings among all administrators and not just the EVP. In addition, they developed and are disseminating collegewide the Academic and Student Affairs Bulletin (newsletter) designed to help eliminate any communication gap. They are developing and disseminating early schedules of Student Services Council and staff meetings, calendar of deadlines, and schedule of shared governance and other committee/workgroup meetings designed to help increase participation in institutional activities. Further, they are providing training in specific areas i.e., use of SMART classrooms and facilitating proactive discussions and planning for systematic reduction in loads via consolidation of roles/responsibilities or elimination of specific tasks as part of strengthening educational quality.

The Colleges with leadership from faculty and District Educational Services have ratcheted up the discipline meetings within colleges and across the district with the intent to strengthen institutional capacity and significantly improve student learning and outcomes. For example, since fall of 2009, the Peralta District FLEX days each semester have included meetings of discipline faculty from the four colleges. The meetings, co-facilitated by college/district administrators and faculty leaders, have promoted thinking about ways in which the disciplines can be strengthened through collaboration. Several disciplines, including English as a Second Language, Biology and Biological Sciences, Business, English and Computer Information Systems, have extended meetings throughout the semester. Also, the colleges have collaborated on grant seeking and grant applications. Grant project managers across the district now meet on a monthly basis. This has increased the ability of the four colleges and District Office to better leverage internal and external resources and grant funding, therefore, better serving our collective students and community members, due to more frequent and purposeful communication and recently proposed grant procurement and management processes. An example of the result, the four Peralta colleges have joined with the three Contra Costa Community College District colleges in successfully securing a state Career Advancement Academies grant. The alternating of administrative responsibility and the sharing of associated efforts has created several sustainable models for delivery of career-technical education to at-risk students served by the colleges. Laney College received $250,000 in funding, which will provide intensive career technical education for approximately 140 students (7 cohorts) to study Industrial Maintenance, Carpentry, Green Technology, Biomanufacturing, and Solar installation.

Administrative Capacity to Assure Support of the College's Educational Mission and Purpose
Consistent with the ACCJC Eligibility Requirement 5, Laney College has sufficient administrative capacity with appropriate professional experience to provide the administrative services necessary to support its mission and purpose.

Capacity. Laney strategically re-organized the college to meet the needs of students and the community in light of State/District budget cuts, and to improve the quality of student learning program and services, in part, by breaking down pre-existing silos and scaling the "best practices" across the college. With the support of the District Chancellor, the administrative reorganization was framed by the Educational Master Plan agenda and consistent with the strategic initiatives of the college. Laney consolidated the key areas of Instruction and Student Services under the direction of one Executive Vice President of Student Learning who has been leading in this role the remaining five Deans of Academic and Student Affairs since July 2011. (This represents a reduction of one Vice President and two instructional deans. The College reorganized reporting structures of the deans to include both instruction and student service areas under each dean.) [As the three other colleges are reinstating the dean positions to pre-existing 2010-11 levels, Laney College anticipates that it will be able to reinstate at least one if not both of their dean positions to reduce the current workload of the remaining five academic/student affairs deans.]

The administrative capacity is helped by faculty and staff efforts within the college supported by leaders within the district seeking consistency and efficient district/college practices for hiring, purchasing, and processing of budgetary transactions. along with ensuring sufficient and stable classified support for administrators. As part of this effort, the college has developed a set of standard operating procedures aligned with the district Board Policies and Administrative Procedures. The college is being further aided with recruitments to fill several classified positions spring 2012.

Preparation. Integral to making the changes to the administrative organization, the college studied districts with colleges of comparable size, mission scope and challenges during a one year period. As part of doing so, it leveraged the effective practices of those community colleges in college wide discussions via shared governance groups and forums; with recommendation for approval by the College Council to the College President. Once approved by the Chancellor for implementation, roll out began summer 2011 to ensure the sound preparation of the deans into this newly formed structure. During summer 2011, three separate all-day retreats were held to discuss and plan for the reorganization, which had resulted from a year-long reviews and spring 2011-long collegewide dialogs with recommendations. These retreat days of team building activities were designed to identify real and possible challenges that we would face during and after the transition to the reorganized administrative structure.

During the transition semester of fall 2011, the Deans were paired into mentoring teams, each sharing their specialized expertise involved within instruction and student services. This effort has resulted in increased understanding, teamwork and problem solving. The reorganization will become more effective with appropriate permanent classified support throughout the college.

Experience. Combined, the administrators have in excess of 130 years of experience working within higher education and over 100 years as administrators. Seven of the eight administrators have doctoral level education, five have either a Ph.D. or Ed.D and two are ABD.

The College President has served as a faculty member, dean and vice president of instruction, strategic planning lead, researcher, director of educational programs and manager of human resources and has worked within all systems of higher education in California. The Executive Vice President was the Laney College Vice President of Instruction and had served as an instructional dean, director and manager of programs and services, faculty and chair of curriculum committee and as a consultant evaluating EOP/S programs for the State Chancellor's Office. After retirement from another community college district, she continued her leadership role consulting on strategic planning and institutional and program evaluation. The Business Manager has served as administrative/business services lead in the roles of vice president/vice chancellor, assistant superintendent and in other administrative roles within community colleges and K-12 districts. The professional experiences of the deans range from earlier professional roles as accounting and financial expert, instructional and counseling faculty, student services officers, researcher, and district and regional lead on vocationally related programs to serving as lead on college and district level projects such as student learning outcomes assessment (SLOA), student equity and varied college-wide leadership responsibilities. This full complement of administrators embody a diverse range of expertise that ensures clarity on how to lead development of the mission, planning of the educational agenda, operational implementation of the plans, fiscal accountability and evaluation of the institution's progress and efficacy.

The collective administrative efforts of all department chairs, program coordinators and directors as well as the lead administrators described in this section have ensured a stable college leadership structure. Together, they have established clear financial planning principles aligned with the college mission and educational priorities, and considers these guiding principles when making short-term and long-term decisions. Laney College also continues to inform the District's financial planning agenda, policies and procedures through various means including, yet not limited to, the Planning Budget Council, the Strategic Management Team and directly with the Chancellor and Vice Chancellors to assure the financial integrity of the institution.

At the College level, financial integrity is a principle that requires ongoing due diligence in the planning and budgeting process. Thus, the College makes transparent its planning, decision-making, allocations, expenditures and assessments of efficacy via its planning website, in shared governance meetings and through electronic communications. As evidence of their efforts, they:

1   Ensured college-wide participation in completion of the Educational Master Plan;
2   Institutionalized the integrated planning and budgeting processes;
3   Welcomed critical input, expressions of concerns and recommendations to be shared with the administration and shared governance groups in open, transparent ways via forums, on-line, etc.;
4   Re-organized the administrative structure of instruction and student services into a unified division of academic and student affairs;
5   Devised plans to enhance capacity and support quality programs and services;

6 Used assessment and evaluations at the professional, course, program, service and institutional levels to improve organizational structures and practices; and

7 Provided priorities and requests to District colleagues, leaders to promote strategic engagement in short- and long-term solutions that would assure quality student learning programs and services.

Status of Recommendation 5: Laney College has addressed this recommendation including meeting Standard IIID and Eligibility Requirements #5 and #17.

Clearly, Laney College has experienced significant challenges resulting from the financial distresses experienced Statewide. Yet its staff of faculty, administrators and classified employees along with student leaders have demonstrated remarkable creativity, perseverance and unwavering commitment to providing quality student learning programs and services. While the constraints are not fully neutralized by the ingenuity of the College stakeholders, the constraints are not allowed to compromise the integrity of the college's offerings.

The College has been smart and innovative in its use of its resources, focused on its Educational Master Plan, to address the significant reduction in its general funds and categorical funds. In doing so, it sustained its core career and technical education, transfer education and foundation "basic" skills education programs and student support services. As briefly summarized above, the college integrated instruction and student services administratively, re-structured/re-assigned or otherwise altered the way professional duties were addressed to meet the needs of the college; and engaged many other actions to help guard against any undermining of the quality of the college's student learning programs and services.

Beyond the collective skills of its faculty and staff, Laney College has been most effective because of the rigorous nature of its resource allocation process, and the cooperation it promotes with sister colleges and the district service centers. Driven by its mission, the College continuously works to increase its funding state and overall capacity while addressing this year's agenda of student success, outcomes assessment and resource building (SOAR).

Merritt College
The mission of Merritt College is to enhance the quality of life in the communities we serve by helping students to attain knowledge, master skills, develop the appreciation, attitudes and values needed to succeed and participate responsibly in a democratic society.

To accomplish its mission, the College provides open access to excellent instructional programs and comprehensive support services in a culturally-rich, caring and supportive learning environment.

Merritt College's strong and collegial governance processes which is upheld by dedicated faculty and staff provides the foundation for weathering the storm of budget crises. Budget reductions are discussed in specially-scheduled budget forums, and faculty, staff and students are given opportunities to ask questions and voice concerns. For example, the College President invited the District Vice Chancellor of Finance to present at a College Council meeting and to answer

questions about budget reductions. In addition, Chancellor Allen held Town Hall Forums on budget presentations at all four colleges. The budget forum held on March 2, 2011 at Merritt was attended by over 300 faculty, staff and students.

Operational Changes

For the past several years, all four colleges of the Peralta District have engaged in a planning and budgeting process that included the establishment of four district-wide committees (Technology, Facilities, Education, and Planning & Budgeting). A special sub-committee of the PBI was charged with developing a Budget Allocation Model (BAM) to be vetted through the PBI with a recommendation for implementation. The goals of this district-wide sub-committee were as follows:

- To ensure college representation in decisions regarding district-wide planning and budgeting for technology, facilities, and educational matters
- To establish a budget allocation model linked to college planning, annual program updates, resource requests, program review, and educational master plans
- To create a district-wide committee process for forwarding recommendations to the Chancellor for approval and implementation.

Other fiscal decisions made to positively impact the college's ability in providing services to students include:

- District Offices of Financial Services and Information Technology committed to providing centralized funding for library database annual renewals
- The District support for a new Merritt College science building using approximately $40 million in Measure A Bond funds. The new science building will support the college's allied health programs, mathematics, sciences, and other programs of study, as well.
- The 2012 completion of newly renovated Library and Learning Center facilities located in Building L. The renovated facilities will house new computer labs, a Writing Across the Curriculum Center, tutorial services, and high-tech/high-touch learning spaces.
- The SMART Classroom project which provides upgraded technology to 47 Merritt College classrooms.
- A district-wide staffing plan has been implemented to identify critical and essential positions at each college.
- Three dean positions have been approved for Merritt College (two for Instruction and one for Student Services). A Dean for Grants and Special Projects was hired in November 2011. Recruitment for two instructional deans is in progress, and the positions will be filled in the spring 2012 semester.

Special Funding

Merritt College is fortunate to have a variety of external funding sources that provide supplemental funding for special projects and support for programs, services, and core classes.

- The college has a five-year $1.9 million dollar comprehensive development Title III grant project, now in its fourth year. The project is designed to strengthen the institution, to help in carrying out the college's mission, and to contribute to its growth and self-sufficiency.

The overarching Title III grant activity is to strengthen the institution's core academic performance indicators in four key areas: retention, drop rate, course completion, and transfer. To achieve the Title III activity of strengthening the college's academic performance indicators, specific goals, objectives, and tasks fall under three inter-related component areas—curriculum and instruction, faculty and staff development, and support services for students.

The Title III grant has also played a role in sustaining college programs and services by providing support for the external evaluation of the college's developmental education program, and an external evaluation of the delivery of support services for students. The recommendations resulting from these evaluations have served as a blueprint for program and student services improvements. Nationally-normed student satisfaction and student engagement surveys have also been conducted along with annual reports on institutional student outcomes. The examination and analysis of these data and survey results have in turn supported the college in its planning and decision-making processes and produced new ideas for strengthening the college's operations.

- The college was awarded funding for two Department of Labor (DOL) grants. One DOL grant is administered through The Unity Council, a non-profit in the primarily Latino community of Fruitvale in East Oakland. The objectives of this DOL grant are to support bilingual/bicultural first generation college students in completing the Medical Assistant curriculum, and to further their skills and increase their chances of job promotion by completing the Chronic Care Assistant curriculum. The grant has also enabled Merritt to hire a full-time career counselor who is fully-grant funded.

  A second DOL grant for $2.9 million dollars is intended to address the needs of re-entry students, including parolees, who need to enroll in basic skills courses, assistance in deciding on a career path, and support in re-entering the workforce. This grant funds classes and services for the populations served.

- The Local Initiatives Services Corporation (LISC) grant, a one-year renewable $160,000 grant has enabled the college to establish a Financial Opportunity Center (FOC) to help students with financial literacy and economic self-sufficiency. Additional funds to support this effort were also awarded by the Bay Area Workforce Collaborative, a San Francisco based foundation.

- The Bay Area Workforce Collaborative, an one-year renewable grant for $200,000, is designed to assist Merritt in realigning the college's student services, particularly focused on career and technical education.

- In 2012, the college was awarded a $98,000 one-year grant by the Superior Court of Alameda County targeting the parolee re-entry student population.

- In 2011, Alameda County awarded Merritt a $225,000 grant designed to support and develop career development pathways in the mental health field for African-American males.

The college has also received supplemental revenue funding to sustain instruction and student services. Those funding sources include:

- Digital Media Grant: Facilitate science workshops to middle and high school students.
- National Institute of Health (NIH) Bridges to Baccalaureate Grant: Recruits and supports students of color for transfer into biomedical majors at UC campuses.
- Career Advancement Academy (CAA): Recruits and supports students in Career and Technical Education (CTE) programs with foundation classes and entry-level CTE classes (i.e. Emergency Medical Technician (EMT) First Responder).
- Nursing Capacity Grant: Supports pre-nursing students by funding prerequisite science classes.
- Department of Justice grant: Supports students in Administration of Justice program by providing additional training opportunities.
- Health Resources and Services Administration (HRSA) grant: Supports students studying in Genomics through the purchase of additional instrumentation equipment.
- Alameda County Behavioral Health Care Services grant: Provides internship placements and identifies student work sites.
- Faculty Entrepreneurship Project 2.0: Funds training for faculty, curriculum and professional development.
- Contract Education: Partnerships with area high schools have permitted the continuation of high school-to-college pathways through offering specific courses at high school locations.

Inter-District Collaboration

Merritt College's ability to provide quality instruction and student services are sustained, in part, by creative collaborations with the other Peralta colleges and with colleges in neighboring Districts. For example:

- Beginning in fall 2009, the Peralta District FLEX days each semester included meetings of discipline faculty from the four colleges. These meetings, co-facilitated by administrators and faculty leaders, promoted thinking and collaboration on strategies to strengthen the disciplines. Several disciplines, including English as a Second Language (ESL), Business, English, and Computer Information Systems (CIS), have extended meetings throughout the semester.
- Student Services leaders from the four colleges coordinate and collaborate on ideas on resource sharing. These strategies include maintaining core and mandated campus services (e.g. DSPS, EOPS, Matriculation, etc.), while consolidating or centralizing non-core services (e.g. health services, etc.). Merritt College is also working with its sister colleges on establishing eCounseling, and has been able to fund a part-time mental health counselor to provide personal counseling services to students.
- With assistance from the Peralta District office, the colleges have collaborated on grants. Grant project managers across the District now meet on a monthly basis. The colleges and District are able to leverage internal and external resources to better serve our collective students and community members. More importantly, frequent and purposeful communications have resulted in newly established grant procurement and management processes.

- The Peralta colleges have joined with the Contra Costa Community Colleges in successfully achieving a state Career Advancement Academies (CAA) grant. This created several sustainable models for the delivery of career and technical education programs to at-risk students.

Schedule Reductions
In fall 2009, statewide budget reductions resulted in cuts to course offerings and thus to a decline in the number of students served. This period of "belt-tightening" provided the impetus for further examination and strengthening of academic and career pathways at Merritt. Programs with declining enrollments and workforce opportunities have been reduced or put on hiatus for further scrutiny. As a result, schedule development is undertaken with increased attention to student pathways and the needs of incoming students to complete educational goals within a reasonable timeframe.
 Criteria used for reduction in course offerings include:
- Maintain the schedule within budget
- Assess enrollments, enrollment trends, and student retention in the consolidation/reduction of course offerings

- Promote discussions across departments and programs to ensure student needs are met and that breadth and depth of programming are preserved
- Support new programs and new courses to enhance student success

Merritt College's governance bodies (e.g. College Budget Committee; Council of Department Chairs and Program Directors (CDCPD); College Educational Master Planning Committee (CEMPC); Academic Senate, etc.) meet often on the impact of budget cuts on the college. The guiding principle of these discussions is to support student access by keeping cuts as far away from the classroom as possible. However, the state mandated workload reduction by its very nature demands cuts to the course schedule. The plan then is to preserve the essence of programs through protection of core classes required for program completion. The college's productivity and efficiency rose to its highest level, and Merritt managed to maintain most of its student base while graduating over 300 students each year with degrees and certificates.

Operational Budget Cuts
Given the uncertainty and continuous revisions to the State budget during this last year, the Peralta District adjusted its budget assumptions and notified all segments within the District to adjust their respective targets accordingly. Merritt College Budget Committee, a key shared governance committee, facilitated the college's response to the District PBI structure.

In 2010-2011the President held Town Hall Meetings to promote a college wide dialogue on budget reductions. In addition the Budget Committee members met with all primary shared governance committees, i.e. College Council, CEMPC, CDCPD, and Facilities, to apprise them of our budget status. The Budget Committee outlined three reduction scenarios—5%, 10% and 15% overall cuts to the college budget. The Budget Committee further identified the source of each line item reduction pertaining to each scenario. Upon request, when notified, the college responded to each District reduction by using these budget scenarios.

Thus by going through the college shared governance processes, all stakeholders had the opportunity to have input on these critical college-wide decisions. Then the President forwarded the college budget reductions to the District and communicated them to the college.   The college continues to rely on our shared governance processes to addresses ongoing budget reductions.

Evidence

1. Budget Reduction Statement (Final) 03-28-11
2. 2011-2012 Base Budget Development Guidance 3-03-11
3. Budget Workshop 6-14-11 (PPT)
4. Budget Workshop 8-17-11 (PPT)
5. Strategic Planning Accomplishments 6-28-11 (PPT)
6. Budget Guidelines Training Manual 4-13-11
7. PBIM Budget Update 8-26-11
8. PCCD Budget Update 11-11-11
9. Fiscal Monitoring Accounting Advisory 6-14-11
10. Institutional Effectiveness Measures Memo to the Chancellor 12-06-11
11. Dean of Academic Pathways and Student Success, Merritt posting, 2011-2012
12. Dean of Workforce Development and Applied Sciences, Merritt posting, 2011-2012
13. Deans at BCC – two (2) postings, Spring 2012
14. Dean of Academic and Student Affairs, Laney posting, Spring 2012
15. Executive Vice President/ Student Learning, Laney posting, Spring 2012
16. Vice President of Instruction, COA job posting, Spring 2012
17. Board of Trustees Meeting Agenda – 9-13-11
18. Board of Trustees Meeting Agenda – 9-27-11
19. Board of Trustees Meeting Agenda- 11-11-11
20. Board of Trustees Meeting Agenda – 11-15-11
21. Board of Trustees Meeting Agenda – 12-06-11
22. BP 2410: Board Policy and Administrative Procedure
23. 2011-12 PCCD Short-term Goals (August 2011)
24. BP 2430 Delegation of Authority to the Chancellor
25. PCCD District-wide Organizational Chart
26. PCCD Chancellor's Office Organizational Chart
27. PCCD Office of Educational Services Organizational Chart
28. PCCD Office of Finance and Administration Organizational Chart
29. PCCD Department of General Services Organizational Chart
30. PCCD Office of Human Resources and Employee Relations Organizational Chart
31. PCCD Office of Student Services Organizational Chart
32. PCCD General Counsel and Risk Management Organizational Chart
33. PCCD Public Information, Communication, and Media Organizational Chart
34. Berkeley City College Organizational Chart
35. College of Alameda Organizational Chart
36. Laney College Organizational Chart
37. Merritt College Organizational Chart
38. 2012-13 Base Budget Development Guidance Memo

Governing Board Review

The President of the Governing Board was copied on the June 30, 2011 ACCJC action letters sent to the Presidents of the four Peralta Colleges (Berkeley City College, College of Alameda, Laney College, and Merritt College) and to the Chancellor of the Peralta Community College District. The letter to the Chancellor outlined the Commission's action regarding the April 1, 2011 Follow-Up Report and the ACCJC visiting team's follow-up report. The Governing Board President and the Chancellor shared the information with the full Governing Board.

This Follow-Up Report was agendized as for review at the February 28, 2012 meeting of the Governing Board and for action at the March 13, 2012 meeting.