

Board of Governors

Fiscal Health Monitoring of the Peralta Community College District

Overview

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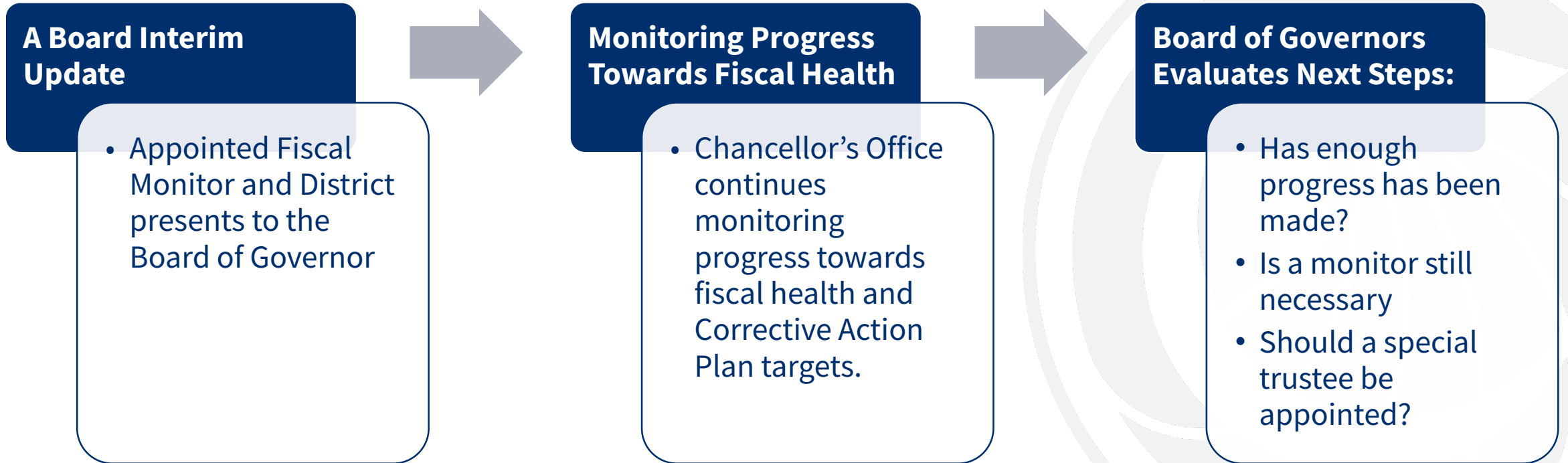
Board of Governors' Responsibilities

- Existing code requires the Board of Governors to adopt criteria and standards for the periodic assessment of the fiscal condition of community college districts.
- The Chancellor has the authority to provide assistance based on the results of ongoing fiscal health concerns or at the request of a community college district:
 - **Technical assistance**
 - **Authorize a Fiscal Crisis Management Assistance Team fiscal health risk analysis, review, audit, or board evaluation**
 - **Appoint a fiscal monitor or special trustee**

Background and Summary of FCMAT Review

- The Chancellor's Office, at the request from the former chancellor of the Peralta CCD, supported a management assistance study of the district.
- The FCMAT report identified significant problems that were required immediate, and sustained responses.
- Following a presentation from FCMAT representatives, the president of the district board of trustees, the district chancellor, the chief business official, the Chancellor informed the Board of Governors that he was exercising his authority to appoint a fiscal monitor.
- Jim Austin was introduced to the Board of Governors as the fiscal monitor.

Stages of Review and Monitoring



Fiscal Health Update

- The Chancellor's Office has asked Peralta's chancellor and board of trustees to adopt a Corrective Action Plan, including a timeline.
- Since the September 2019 update to the Board of Governors, the district has met some key milestones, including selecting Dr. Regina Stanback Stroud to serve as the district's chancellor.

Accreditation

- ACCJC established a **probationary period** for all four colleges of the Peralta CCD.
- Each college will be required to:
 - **Submit a special report to ACCJC**
 - **Placed in probation status**
- ACCJC could have assigned a “Show Cause” status as a step toward removing the accreditation but did not.

Addressing Financial & Systemic Governance Challenges

Improvements

- Peralta CCD continues to address the FCMAT and ACCJC's recommendations.
- Peralta CCD has made progress in filling key vacancies.

Challenges

- Concerns remains, including in findings by ACCJC and FCMAT, related to finances, governance, and organizational structures.
- Board governance remains a major issue due to issues such as hostility toward staff, micromanagement, and conflicting agendas.

Monitoring Activities

- Since the appointment of a fiscal monitor for Peralta CCD, activities have included:
 - A visit to each campus
 - Independent fiscal and audit reviews
 - Weekly formal updates to the Chancellor
 - Monthly written reports to the Chancellor
 - Meetings with various stakeholders



Considerations Specific to Peralta Community College District

- Peralta CCD has made strides towards meeting its Corrective Action Plan but volatility remains because of the following:
 - Increasing funding obligations
 - Continued declines in enrollment
 - Governance challenges
 - Impacts of the COVID-19 pandemic
- The Board of Governors may wish to consider maintaining its monitoring role at Peralta CCD until further progress is made.

Considerations Specific to Peralta Community College District (*cont.*)

- The Board of Governors may wish to direct the Chancellor's Office to provide regular updates on Peralta's:
 - Adherence to the principles of sound fiscal management, fiscal literacy, and transparency, fiscal health governance;
 - Improved supports and professional development to address districts' fiscal health;
 - Long-term leadership stability remains a risk for this district.

Fiscal Health Monitoring of the Peralta Community College District

Update by Peralta Fiscal Monitor

Fiscal Health Monitoring of the Peralta Community College District

Comments by Chancellor Stanback Stroud

Dr. Regina Stanback Stroud

Chancellor PCCD

 72 of 75 recs - Addressed

 2 recs - Not started

 1 rec- We will not take

 New FCMAT score – 5.3%

 Evidence at
<https://web.peralta.edu/accreditation/fcmat-response-evidence/>



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Board of Governors Questions and Comments