

FOLLOW-UP VISIT PEER REVIEW TEAM REPORT

Merritt College
12500 Campus Dr.
Oakland, CA 94619

This report represents the findings of the Peer Review Team that conducted a virtual visit to Merritt College October 18-19, 2021. The Commission acted on the accredited status of the institution during its January 2022 meeting and this team report must be reviewed in conjunction with the Commission's Action letter.

Dr. Kindred Murillo
Team Chair
Interim Superintendent/President
Santa Barbara City College

DATE: November 11, 2021
TO: Accrediting Commission for Community and Junior Colleges
FROM: Kindred Murillo, Team Chair
SUBJECT: Report of Follow-Up Visit to Merritt College
October 18 and 19th 2021

Introduction:

A comprehensive evaluation team visit was conducted at Merritt College March 1-4, 2021. At its June 9-11, 2021 the Accrediting Commission for Community and Junior Colleges (Commission) took action to Impose Probation and require a Follow-Up Report , due no later than October 1, 2021, followed by a visit from a peer review team. The purpose of the visit was to determine whether the District has addressed the requirements of the Commission as stipulated in the Commission Action Letter of June 28, 2021.

The team was comprised of the following members:

Dr. Kindred Murillo	Interim Superintendent/President, Santa Barbara City College
Ms. Cheryl Bailey	Instruction Librarian and SLO Coordinator, Irvine Valley College
Dr. Julianna Barnes	President, Cuyamaca College
Dr. Keith Flamer	Superintendent/President, College of the Redwoods
Ms. Deborah Ikeda	Trustee, State Center Community College District
Mr. Mario Rodriguez	Vice Chancellor of Finance, Los Rios Community College District

The team was accompanied by Dr. Catherine Webb, ACCJC Vice President and staff liaison to Merritt College.

The Peer Review Team for Merritt College was conducted by video conference via Zoom technology on October 18-19, 2021. Over the course of the two-day visit, the team met with:

- Chancellor's Expanded Cabinet
- Chancellor and District Office Staff
- District Financial Team
- District External Auditor
- Board of Trustees (two separate meetings)
- Chancellor
- Chancellor, President's and key staff

The Follow-Up Report and visit were expected to document resolution of the following compliance requirements and deficiencies identified through fiscal monitoring:

Compliance Requirements

District Requirement 1: In order to meet the Standards, the Commission requires the District have appropriate internal control mechanisms and regularly evaluate its financial management practices, and use the results for improvement to ensure financial documents have a high degree of credibility. **(Standards III.D.5, III.D.6, III.D.8)**

District Requirement 2: In order to meet the Standard, the Commission requires the District respond to all external audit findings, and such responses are comprehensive, timely, and communicated properly. **(Standard III.D.7)**

District Requirement 3): In order to meet the Standard, the Commission requires the District must practice effective oversight of its financial aid programs. **(Standard III.D.10)**

District Requirement 4: In order to meet the Standard, the Commission requires that the Board of Trustees assures the academic quality, integrity, and effectiveness of the student learning programs and services and the financial stability of the institution. **(Standard IV.C.1)**

District Requirement 5: In order to meet the Standard, the Commission requires that once the Board of Trustees reaches a decision, all board members act in support of board decisions. **(Standard IV.C.2)**

District Requirement 6: In order to meet the Standard, the Commission requires the Board adhere to their clearly defined policy for evaluating the CEO of the District. **(Standard IV.C.3)**

District Requirement 7: In order to meet the Standard, the Commission requires the governing board functions as an independent, policy-making body that reflects the public interest in the institution's educational quality. **(Standard IV.C.4)**

District Requirement 8: In order to meet the Standard, the Commission requires that the Board establish a formal process for regularly assessing its policies for effectiveness in fulfilling the District's mission and revise them as necessary. **(Standard IV.C.7)**

District Requirement 9: In order to meet the Standard, the Commission requires the Board delegate full responsibility and authority to the Chancellor to implement and administer board policies without Board interference. **(Standard IV.C.12)**

District Requirement 10: In order to meet the Standard, the Commission requires the District clearly delineate, document, and communicate the operational responsibilities and functions of the District from those of the Colleges and consistently adhere to this delineation in practice. **(Standard IV.D.2)**

Deficiencies Identified through Fiscal Monitoring

The Commission requires the College to address these deficiencies in the required Follow-Up Report along with the Compliance Requirements identified above:

- Establishing FTES Targets and Enrollment Management Plans
- Establishing a Student Success Infrastructure Plan to comply with the Student-Centered Funding Formula as announced by the California Community College Chancellor's Office
- Establishing guidelines to reduce operational overspending and eliminate the structural deficit
- Adopting a Board policy to adopt sustainable fund balances and reserves
- Adopting a restructuring plan to improve efficiencies and accountability at the District Office and the Colleges
- Addressing all audit findings
- Establishing strategies to improve the management of the OPEB debt
- Providing an executive-level staff turnover analysis and recommendations to retain these staff at the district

Team Analysis of the College Responses to the June 28, 2021 Action Letter

District Requirement 1: In order to meet the Standards, the Commission requires the District have appropriate internal control mechanisms and regularly evaluate its financial management practices, and use the results for improvement to ensure financial documents have a high degree of credibility. (Standards III.D.5, III.D.6, III.D.8)

Findings and Evidence:

As requested by the Peer Review Team in March 2021, the College has been systematically addressing the following areas: 1. implementing appropriate internal controls; 2. regular evaluation of financial management practices; and 3. improvement to ensure credible financial documents.

In an effort to implement appropriate internal controls the District addressed a major recommendation by updating to PeopleSoft 9.2, which laid the foundation for them to improve its business processes. There are two phases of implementation in the PeopleSoft 9.2 upgrade. Phase 1 is complete, Phase 2 is in progress. All three pillars of PeopleSoft 9.2 Infrastructure (Finance, Human Capital Management, and Campus Solutions) were strengthened and updated with enhanced features and functionality. Infrastructure security was shifted to Oracle's advanced cloud security.

Phase 2 of the PeopleSoft 9.2 upgrade will specifically implement additional modules driven by the 2019 FCMAT recommendations and improve asset-management as required by the audit findings.

To build out capacity and digital control mechanisms, and to test current processes, in January 2021 PCCD contracted with Edgerock Technology Partners Progress has been made in working with Edgerock for controls and is scheduled to be completed in the 2021-2022 academic year by

June 30, 2022.

The District also contracted with The Cambridge West to ensure data integrity. The Data Integrity Project helped the District uncover and resolve the hidden back-end complexities of implementing the Student Centered Funding Formula (SCFF) and Hold Harmless Provisional funding. This project assisted the District in correcting attendance reporting (CCFS 320) projections and will assist in resolving the PCCD structural deficit. This project appears to be approximately $\frac{2}{3}$ complete and assist the district in resolving the internal controls issue by June 30, 2022.

A contract was initiated August 12, 2021, with Huron Consulting Agency with a goal to evaluate PeopleSoft update implementation gaps. Huron's PeopleSoft Assessment Methodology will evaluate PCCD's Phase 2 financial and internal control systems update. The evaluation is based upon PeopleSoft implementation best practices.

Regular Evaluation of Fiscal Management Processes are progressing. Board Goals include regular reports and monitoring. There is evidence of sustained accountability over the last year by the Board. PCCD recently re-constituted Board sub-committees including a finance sub-committee to review data and information and make recommendations to the full Board regarding policies, procedures, and actions. The district provided evidence of progress on fiscal management monitoring through hiring an internal auditor, monitoring governance processes such as Planning and Budget Committee monitoring of fiscal documents based upon the Budget Allocation Model, and working with the external auditors to ensure findings are followed up on in a timely manner. The District continues to work with the Department of Education on financial aid accountability and the Chancellor's Office through providing regular reports on progress in this area.

The district effort to ensure credible financial documents involves a cyclical process. The process begins with assessment, gap identification, creating and testing solutions, communicating controls, training staff, and monitoring through evaluation of results, which cycles back to assessment.

Conclusion:

The institution has not yet had time to fully address the requirement. The institution has a plan in place to correct the deficiencies. The team verified that the institution has been meeting the outcomes of its plan to date. The institution is on schedule to address the requirement and meet Standards III.D.5, III.D.6, and III.D.8 by June 30, 2022.

District Requirement 2: In order to meet the Standard, the Commission requires the District respond to all external audit findings, and such responses are comprehensive, timely, and communicated properly. (Standard III.D.7)

Findings and Evidence:

The District and colleges are working together to resolve the audit findings. The District has brought in reputable consultants to help with various audit findings. As noted in more detail regarding the findings and evidence in Requirement 1, the implementation of PeopleSoft 9.2, building out digital control recommendations, hiring of an internal auditor, and the Data Integrity Project assisted the District and Colleges in the completion of some of the audit findings. The realignment of the financial aid oversight from the district to the college appears to be resolving external audit findings. The District is voluntarily working with the Department of Education on financial aid audit findings.

While the District notes five of the audit findings have been resolved, the District won't have final evidence until the FY 2020-2021 audit is completed in February.

Conclusion:

The institution has not yet had time to fully address the requirement. The institution has a plan in place to correct the deficiencies. The team verified that the institution has been meeting the outcomes of its plan to date. The institution is on schedule to address the requirement and meet Standards III.D.7 by June 30, 2022.

District Requirement 3: In order to meet the Standard, the Commission requires the District must practice effective oversight of its financial aid programs. (Standard III.D.10)

Findings and Evidence:

Reporting changes in new presidents and directors of financial aid to the US Department of Education within 10 business days has been resolved. A new process was implemented in 2020 to report the Common Origination and Disbursement (COD) and draw down on a weekly basis. Staff were trained to execute reconciliation of COD on a weekly basis. The District experienced continuous voids in critical staffing roles and recently hired two Financial Aid Directors at two of the PCCD Colleges, and one Financial Aid Director position is still in the process of being filled.

The District and Colleges continue to work with Edgerock on reviewing and testing the new process. Progress has been made and it is projected that Pell Grant and Direct Loan disbursements to DOE's Common Origination and Disbursement (COD) website will have accurate and timely reporting by June 30, 2022.

Through recommendations from the various consultants the District moved the Financial Aid Directors to the College. It was clear that FA Directors were needed on each college campus to create and maintain better services at the program level. Because of the special skillset needed to reorganize and train the FA unit on business processes, the Interim Executive Fiscal Director (and Financial Aid, January 21, 2021) have been working with the Interim Vice Chancellor of Finance & Administration (Interim) and Vice Chancellor of Academic Affairs and Student Success to better understand IT issues and business processes. The District has hired a dedicated IT employee and plans to hire a financial aid compliance officer or director following a clear analysis of the functions required at the District.

Conclusion:

The institution has not yet had time to fully address the requirement. The institution has a plan in place to correct the deficiencies. The team verified that the institution has been meeting the outcomes of its plan to date. The institution is on schedule to address the requirement and meet Standards III.D.10 by June 30, 2022.

District Requirement 4: In order to meet the Standard, the Commission requires that the Board of Trustees assures the academic quality, integrity, and effectiveness of the student learning programs and services and the financial stability of the institution. (Standard IV.C.1)

Findings and Evidence:

An important outcome of the Board training and self-evaluations is the clear focus on Board Goals. These Board goals are representative of progress to meet Standard IV.C.1. Goals were initially set at the July 2020 Board Retreat. Board Goal 1 is Educational Quality and Student Success, addressing academic quality. A sample of the key actions the Board elected to do in response to this goal include receiving disaggregated reports on student progress at the program level and regularly engaging in meaningful discussions about students and their success. Board Goal 3 addresses the Board's responsibility regarding accreditation and adhering to the accreditation standards. Board Goal 4 concentrates on the Board's role in fiscal affairs. This goal states "that it is imperative that the District has a secure and sustainable economic future; therefore, the Board will ensure financial accountability, responsibility, and stability." Actions related to Board Goal 4 include direction for budget policy that result in clean audits, monitoring plans and strategies related to enrollment management, overseeing bonds and OPEB obligations, as well as working with the District Chancellor to implement fiscal reforms. These Board goals resulted in actions to meet Standard III.D.10 including effective oversight of financial aid programs, as well as resources to produce clean audits (III.D.7) and to create policies ensuring internal controls (III.D.5) fiscal stability (IV.C.1). Board Goal 6 focuses on Board effectiveness, verifying the serious work and need for improvement to achieve Board and District goals. In Goal 6, the Board commits itself to taking bold actions to transform itself. This goal resulted in the Board taking many actions to meet specific ACCJC Standards, such as evaluating the Chancellor (IV.C.3), establishing a formal process to regularly assess policies (IV.C.7), and delegating authority to the Chancellor (IV.C.12).

The Board has shown significant progress in meeting Standard IV.C.1. Meaningful efforts to create and fulfill goals, to receive needed training, and to correct deficiencies are in process. As verified by the team in the interviews, the Board is making an intentional effort to transform its culture. Fully meeting this Standard will require time as this is a drastic culture shift from the last two decades. Meeting the Standards associated with the first three ACCJC requirements on fiscal issues, audit findings and financial aid by June 30, 2022 serves as solid evidence the Board is assuring the academic quality, integrity, and effectiveness of the student learning programs and services, and the financial stability of the institution.

Conclusion:

The institution has not yet had time to fully address the requirement. The institution has a plan in place to correct the deficiencies. The team verified that the institution has been meeting the

outcomes of its plan to date. The institution is on schedule to address the requirement and meet Standard IV.C.1 by June 30, 2022.

District Requirement 5: In order to meet the Standard, the Commission requires that once the Board of Trustees reaches a decision, all board members act in support of board decisions. (Standard IV.C.2)

Findings and Evidence:

The Board was fully aware of dissension among their members which affected their ability to support final decisions made by the Board. The Board hired a facilitator, Dr. Helen Benjamin, who held a retreat with the Board December 15-16, 2020, with an agenda that included Building Trust, Civility and Respect among Board members. This Board included two new members who had been elected in November 2020 and during the retreat, the Board was able to develop and agree upon a Board Statement of Cooperation which is publicly listed on the Board Agenda and read before every Board meeting. The Board also developed Board Protocols of Communication that indicates the Chancellor and Board President are delegated the general responsibility for public and media communications to ensure a unified voice for the district. The Board of Trustees attempted to adopt the Board Policy on Protocols of Communication which they have all agreed to, but the Peralta Federation of Teachers has asked to review the proposed policy and provide input before it is officially approved by the Board of Trustees.

The Board held another retreat with Dr. Benjamin on July 20, 2021, to continue working on Board Governance issues and best practices. The Board of Trustees Effectiveness Self-Assessment from Spring 2021 as compared to Spring 2020 show the same average score of three (five being the best score) for the item that “*Board members understand that it expresses authority only as a unit and support the Board president as the public spokesperson for the Board*’, however one of the board members slightly disagreed with this statement and two board members strongly disagreed with this statement. This compares to only one board member strongly disagreeing with this statement in the Spring 2020 assessment and the other five members either strongly agreeing or agreeing.

The comments from the Spring 2021 Effectiveness Self-Assessment indicate that there was distrust among board members. Some of the comments include, “*The deficiencies are in compliance by Board Members and not the Board President. Trust with verification. The new enlightened Board does not erase the damage that caused the distrust. The relationships are civil but let’s take out trust and respect because some do not deserve that respect. Better...however there still needs to be work around how we talk; impassioned or not, we have to be aware at all times of a level of professional decorum in communication regardless of how emotional we become.*” While another board member wrote, “*Amazing improvement in this area.*”

The Board hired Dr. Jannett Jackson on April 16, 2021 to be the Interim Chancellor and in October 2021, extended her contract until June 2023. Since April 2021, the Chancellor has worked with the Board to provide extensive training and to build upon the work Dr. Benjamin initiated with the Board on becoming a high functioning Board. It’s clear through the interviews during this team visit, the board has come to fully trust in Chancellor Jackson and her team. Through her work with the Board and the commitment of Board President Napoli-Abella Reiss to improve the culture of the board, the board is making significant progress towards agreeing

that Board members understand that they express authority only as a unit and support the Board president as the public spokesperson for the Board. As one Board member indicated with the concurrence of other members, the Spring 2021 Effectiveness Self-Assessment represented a point in time and since that time, adherence to Protocols of Communication and Board Cooperation have continued to improve and if the same survey was administered today, the results would be much better.

The Boards Self-Evaluation Based on the Accreditation Standards taken on August 5, 2021 included the question *“The governing board acts as a collective entity. Once the board reaches a decision, all board members act in support of the decision.”* This question received higher scores than in the Spring 2020 Self-Evaluation. 60% of the responding Board members felt that the Board fully met this standard, 20% believe the Board partially met the standard and 20% felt that the Board did not meet the standard. This compares to the Spring 2020 Self-Evaluation where members indicated that 20% fully meeting the standard, 40% partially met the standard and 40% felt the Board did not meet the standard. This documents a marked improvement. The Board established goals and key actions for 2021-22 to become a high functioning unit. Board Goal VI: Board Effectiveness identifies seven key actions the Board must undertake to accomplish this goal. While the Board has made significant progress in this area, it’s only been four months since they received ACCJC recommendations and Board members agree that it’s a process to change Board culture and they need the time to complete this process under the leadership of their new Interim Chancellor. If the Board continues progress towards completing their goals for 2021-22 and continues following accreditation standards, they will become a high functioning board.

Conclusion:

The institution has not yet had time to fully address the requirement. The institution has a plan in place to correct the deficiencies. The team verified that the institution has been meeting the outcomes of its plan to date. The institution is on schedule to address the requirement and meet Standards IV.C.2 by June 30, 2022.

District Requirement 6: In order to meet the Standard, the Commission requires the Board adhere to their clearly defined policy for evaluating the CEO of the District. (Standard IV.C.3)

Findings and Evidence:

Board Policy 2435 indicates that the Chancellor is to be evaluated annually based on a mutually developed evaluation process and a tool that incorporates the district’s goals, objectives and expectations. No Chancellor evaluation had taken place for the last two Chancellors who each worked less than one year and the current interim Chancellor was hired April 15, 2021. The Board had a closed session item on May 11, 2021 to discuss Public Employee Performance Evaluation Title Chancellor. This session was used by the Board to identify goals they would like the Chancellor to achieve. The Chancellor had the Board members prioritize the goals and together they developed mutual goals to be accomplished. The Board of Trustees collaboratively developed board goals for the 2021-22 at the Board retreat on July 20, 2021. The Board agreed that progress reports would be made July 20, 2021, and September 1, 2021, where the Board noted the progress that had been made with Interim Chancellor Jackson on key actions associated

with Goal IV on Board Effectiveness. The Chancellor developed an evaluation tool with a likert scale that include both the Board goals as well as the individual goals she established for herself.

Conclusion:

The institution has addressed the requirement, corrected the deficiencies, and now meets Standard IV.C.3.

District Requirement 7: In order to meet the Standard, the Commission requires the governing board functions as an independent, policy-making body that reflects the public interest in the institution’s educational quality. (Standard IV.C.4)

Findings and Evidence:

The Board signed the Statement of Cooperation that is both read and posted at every regular board meeting. This statement includes the following: *“We have reviewed the Board’s Code of Ethics and commit to reviewing it annually at our organizational meeting to remind ourselves of the behavior we are to exhibit and the guidelines we are to follow in our role. If the Code of Ethics is violated, we commit to follow the process stated in the Code and will first address concerns informally to settle disagreements one-on-one between and among members before moving to the formal process.”* The Code of Ethics has a section that indicates board members cannot surrender their judgement to individuals or special interest groups and are responsible to all citizens of the district. The Spring 2021 Board of Trustees Self-Evaluation based on Accreditation Standards notes that the board believes there is work to be done. The results indicate that 33.3% indicates that the Board fully meets the standard, 50% believes the Board partially meets the standard and 16.7% believes that the board does not meet the standard. Since the time of the Self-Evaluation the Board has improved in this area. The Board acknowledges that positive progress is due to the trust relationship they have developed with the Interim Chancellor, but they also agree this is an area that they can improve in. The Board believes it will take more time to change Board behavior that took years to develop. The Board credits the Interim Chancellor for assisting them in making change to an independent Board not aligned with any specific interest group but in making decisions in the best interest of the entire district.

Senior Staff feel that the Board now is very supportive, and they believe the Board trusts the staff much more than in the past. The leadership of the Board President has helped guide the other board members to stay in their lane. Having the current Chancellor agree to stay on until June 2023, will help provide stability this Board needs to continue making progress in this area.

Conclusion:

The institution has not yet had time to fully address the requirement. The institution has a plan in place to correct the deficiencies. The team verified that the institution has been meeting the outcomes of its plan to date. The institution is on schedule to address the requirement and meet Standard IV.C.4 by June 30, 2022.

District Requirement 8: In order to meet the Standard, the Commission requires that the Board establish a formal process for regularly assessing its policies for effectiveness in fulfilling the District’s mission and revise them as necessary. (Standard IV.C.7)

Findings and Evidence:

Board Policy (BP) 2410 and Administrative Procedure (AP) identified that the board policies should be reviewed every six years and the Peer Review Team Report from March 2021, indicated that many of the board policies had not been reviewed within that timeframe. The Interim Chancellor established a BP/AP Taskforce in August 2021 to review existing BP/AP status of review, review BP 2410 and AP 2410 and draft a revision if necessary to create a regular cycle of review. The Taskforce completed an evaluation of all BPs and APs and made recommendations for a new process and identified those policies and procedures that needed to be updated. A schedule was created to calendar all BPs and APs to ensure they meet legal requirements and are reviewed within the seven-year timeframe. The Interim Chancellor updated both Board Policy 2410 and Administrative Procedure 2410 based on the taskforce recommendations and received board approval for the new BP and AP 2410 at the September 28, 2021 allowing for the board policies and administrative procedures to be updated every seven years in line with the accreditation timelines.

The District developed a very detailed spreadsheet with all the Board Policies (BP) listed, the date the BP was last reviewed, whether or not it is legally required, legally advised, good practice or was required for accreditation. Each of the Board Policies was given a Priority number from 1-4. The Priority values are as follows:

- 1-addressing those required by legislation/law review cycle or currently under review
- 2-"most" in need based on external reviews
- 3-most out of date that d/n need changing, just need reviewing
- 4-calendar cycle, or recently updated

The Board Clerk/Assistant to the Chancellor is responsible for maintaining the BP/AP spreadsheet matrix and informing the Chancellor when the BPs are due to be reviewed based on the 7-year deadline or priority value. The BP/AP spreadsheet describes the responsible parties who will serve as Chapter Leads based on subject matter expertise and they sit on the Chancellor's Cabinet. The Chapter Leads are responsible for bringing together the appropriate parties to review the BP's/AP's and then forward them to the Participatory Governance Council and Consultative Group(s). The District will continue to rely on CCLC's updates through the subscription service for legally required changes that need to occur prior to the seven-year review timeline.

Conclusion:

The institution has addressed the requirement, corrected the deficiencies, and now meets Standard IV.C.7.

District Requirement 9: In order to meet the Standard, the Commission requires the Board delegate full responsibility and authority to the Chancellor to implement and administer board policies without Board interference. (Standard IV.C.12)

Findings and Evidence:

The Board had not fully delegated authority to the Chancellor for hiring of management employees according to BP 7110. The BP/AP Taskforce recommended a revision to BP 7110 to

follow the CCLC template and bring it into alignment with BP 2430 to delegate authority to the Chancellor to authorize employment subject to confirmation by the Board. The Interim Chancellor brought the revisions to BP 7110 to the board meeting on September 14, 2021, and it was unanimously approved in one reading. Interim Chancellor Jackson brought a hiring plan to the board on May 25, 2021 and it was unanimously approved by the Board. Hiring records from January 2021 through September 2021 show unanimous approval of all management hires.

Although all managers being appointed are listed in board closed session, this is an opportunity for the Chancellor to inform the Board members about the qualifications of the person to be hired and not an opportunity for the board to debate whether an individual is qualified. This closed session process for ratifying management appointments is much improved from the process that had been in place when the original team visit took place in March 2021. The Board no longer challenges the Chancellor in closed session to prove the management employees are qualified or needed.

The Board Retreat on July 20, 2021, focused on review of the Boards Effectiveness Self-Assessment. This retreat was facilitated by Dr. Helen Benjamin and the board members were very honest and open with one another discussing those issues that were causing conflict. It was clear that further work on building an atmosphere of trust and collegiality was going to be needed but much progress was made, and the board is headed in the right direction. The Board is in the process of identifying those BP's where there is not a consensus on what the policies mean. Those BP's will be discussed at the next Board Retreat to ensure all board members have the same understanding about what various policies mean to avoid misinterpretation.

The Chancellor feels she is establishing standard operating procedures and a new culture for the hiring of managers which does not allow for the Board to micromanage management positions hires. The two newly elected trustees and the training that the Board has received has really helped the Board understand their role versus the role of management. When the Chancellor makes a recommendation for a hire, the Board now accepts that this is Chancellor's responsibility. The Board had a lack of trust with the leadership in the past and it has taken time to turn this culture around. Chancellor Jackson is helping to reestablish the trust which now goes both ways, but this will take time. The Chancellor does not believe this change is episodic but is something that will be sustained even when a permanent Chancellor is hire.

Conclusion:

The institution has addressed the requirement, corrected the deficiencies, and now meets Standard IV.C.12.

District Requirement 10: In order to meet the Standard, the Commission requires the District clearly delineate, document, and communicate the operational responsibilities and functions of the District from those of the Colleges and consistently adhere to this delineation in practice. (Standard IV.D.2)

Findings and Evidence:

The Peer Review Team Report found significant discrepancies in the functional maps included in the college self-evaluation reports. The Accreditation Liaison Officer's (ALO's) reviewed

sample functional maps from other districts and developed updated drafts of the Peralta Community College District Functional Map to present to the expanded Chancellor's Cabinet. An expanded Chancellor's Cabinet met on August 13, 2021, to review the draft functional maps and create a plan to distribute them to the District Participatory Governance Council (PGC) for review. A PCCD District Functional Map was developed Sept 9, 2021 which represents initial brainstorming work. Each of the representative areas have been meeting to clarify the delineation of tasks between the District and the College. The review by both college and district staff has been extensive allowing for a much more detailed list of functions. As these new functional maps were being developed, the college and district staff were also able to identify what is working well and what isn't working at all. The most recent version of the functional map is posted on the district website and is going through the governance bodies at both the district and college level. This process and these functional maps are far more robust and therefore useful tools for the district. These meetings to review functions has brought varying groups together including faculty who report feeling more connected with each other and the district. The Draft PCCD 2021 Functional Map can be found at this website <https://web.peralta.edu/PCCDOrganizationalCharts/> and will continue to be modified as functions are added or deleted. It's clear that the district is making significant progress in this area and just needs time to complete this process. The district has set a December 2021 date to have the functional maps completed and approved by the Board.

Conclusion:

The institution has addressed the requirement, corrected the deficiencies, and now meets Standard IV.D.2.

Deficiencies Identified through Fiscal Monitoring

Establishing FTES Targets and Enrollment Management Plans

Findings and Evidence:

As noted in the Special Site Visit Team Report (2020) "The College has addressed this concern and is seeing results from their implementation of their enrollment strategies as noted specifically above. The Peralta Community College District (District) is addressing this concern through engaging deep foundational work with Cambridge West Ltd. that will also benefit all the colleges" (page 3). The College provided an update regarding FTES Targets and enrollment management that during a time of national decline the College was able to reach 87 percent of the FTES goal while maintaining its allocated FTEF. The District also contracted with SEM Works to evaluate the current status of the district wide enrollment strategies. The College provided evidence that The Data Integrity Project with Cambridge West was significant to improving projections and targets by identifying the correct data and managing the data appropriately. The District has become more realistic in setting projections.

Conclusion:

The institution has resolved the deficiency identified through fiscal monitoring.

Establishing a Student Success Infrastructure Plan to comply with the Student-Centered Funding Formula as announced by the California Community College Chancellor's Office

Findings and Evidence:

The colleges and District provided evidence to demonstrate that they have worked to establish a Student Success Infrastructure Plan that complies with the Student Centered funding formula. The team verified the Student Success Infrastructure is an integrated component of the Board responsibilities and the Board Goals. The team also verified the District and colleges have integrated the SCFF into the budget and planning.

The team verified Merritt College has successfully linked enrollment management, the SCFF and financial processes, and is beginning to demonstrate results of their efforts in areas such as FYE, Puente and Sankofa.

Conclusion:

The institution has resolved the deficiency identified through fiscal monitoring.

Establishing guidelines to reduce operational overspending and eliminate the structural deficit

Findings and Evidence:

The District has had an operational surplus in the most recent years, mainly due to audit adjustments. The Board has been ensuring spending is within budget and monitors closely overspending. The District has updated Board policies and procedures to provide guidance. While there has been significant progress made by the District and the colleges with the trends of loss of enrollment the longer-term financial forecast is still somewhat uncertain due to declines in enrollment and how the state deals with hold harmless. This is not unlike other colleges in the state, so it is important to note that while Peralta has been making significant progress the entire national enrollment picture has been declining.

Conclusion:

The institution has not yet had time to fully resolve this deficiency identified through fiscal monitoring. The institution has a plan in place to correct the deficiency. The team verified that the institution has been meeting the outcomes of its plan to date. The institution is on schedule to resolve the deficiency by June 30, 2022.

Adopting a Board policy to adopt sustainable fund balances and reserves

Findings and Evidence:

This item was resolved as noted in the Special Site Visit Team Report (2020) with the adoption of Board Policy 6250.

Conclusion:

The institution has resolved the deficiency identified through fiscal monitoring.

Adopting a restructuring plan to improve efficiencies and accountability at the District Office and the Colleges

Findings and Evidence:

There have been several stops and starts in creating and following through on adopting a restructuring plan to improve efficiencies and accountability at the District Office and the colleges due to turnover in the Chancellor's job. Since hiring the new interim Chancellor the District and Colleges have been able to gain a foothold on this deficiency and are projected to resolve by December 2021. Recently the Board extended the interim Chancellor's contract until 2023, providing some much needed stability in this role. The deep work the District and colleges are doing is evident in the overall functional mapping project, and the District and College leadership has stabilized.

Conclusion:

The institution has not yet had time to fully resolve this deficiency identified through fiscal monitoring. The institution has a plan in place to correct the deficiency. The team verified that the institution has been meeting the outcomes of its plan to date. The institution is on schedule to resolve the deficiency by December 31, 2021.

Addressing all audit findings

Findings and Evidence:

The District has brought in reputable consultants to help with various audit findings. As noted in more detail above, the implementation of PeopleSoft 9.2, building out digital control recommendations, hiring of an internal auditor, and the Data Integrity Project in process assisted the District and Colleges in the completion of some of the audit findings. The realignment of the financial aid oversight from the district to the college appears to be helping in resolving external audit findings. The District is voluntarily working with the Department of Education on financial aid audit findings.

While the District notes five of the audit findings have been resolved the District won't have final evidence until the FY 2020-2021 audit is completed in February.

Conclusion:

The institution has not yet had time to fully resolve this deficiency identified through fiscal monitoring. The institution has a plan in place to correct the deficiency. The team verified that the institution has been meeting the outcomes of its plan to date. The institution is on schedule to resolve the deficiency by June 30, 2022.

Establishing strategies to improve the management of the OPEB debt

Findings and Evidence:

As noted in the Special Site Visit Team Report (2020) the District provided evidence of a financial plan for the OPEB Bond Program in the Adopted Final Budget.

Conclusion:

The institution has resolved the deficiency identified through fiscal monitoring.

Providing an executive-level staff turnover analysis and recommendations to retain these staff at the district

Findings and Evidence:

The Special Site Visit Report (2020) observed the District stabilized its leadership through several key hiring's. Merritt College has implemented steps to retain and grow College leadership through modeling effective leadership, using solution based team building and equity-focused hiring practices which the College is reaping the benefits.

The Interim Vice Chancellor of Human Resources conducted a turnover analysis and recommendations were issued. Since the Special Site Visit Report (2020) the District and colleges have demonstrated leadership stability. This is evident in the continued trust the Board demonstrates in the Chancellor and the retention of committed college presidents, vice presidents, and district staff. The trust the Board is demonstrating in the Chancellor and the decisions of senior leadership is fostering a climate where leaders can commit to staying at PCCD. It is noteworthy for all the colleges that the college presidents are working together with the Chancellor on behalf of the entire District.

Conclusion:

The institution has resolved the deficiency identified through fiscal monitoring.