

MAY 18 2012

FOLLOW UP VISIT REPORT

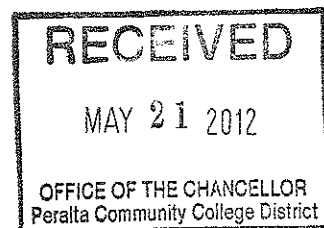
PERALTA COMMUNITY COLLEGE DISTRICT

333 E. Eighth Street
Oakland, CA 94606

**A Confidential Report Prepared for
The Accrediting Commission for Community and Junior Colleges
Western Association for Schools and Colleges**

This report represents the findings of the evaluation team that visited
Peralta Community College District on April 16 & 17, 2012

Frank Gornick, Team Chair – West Hills Community College District
Chris Bonvenuto, Team Member – Santa Monica College
Robert Griffin, Team Member - De Anza College (Retired)
Sherrie Guerrero, Team Member – Chaffey College
Cris McCullough, Team Member – American River College



May 3, 2012

TO: Accrediting Commission for Community and Junior Colleges

FROM: Frank Gornick, Team Chair

SUBJECT: Report of Follow-Up Visit Team to Peralta Community College District on
April 16 & 17, 2012

Introduction and Overview

At its meeting in June 2011, the Commission acted to remove all four colleges of the Peralta Community College District from Probation and issue a Warning. The District was required to submit a follow up report by March 15, 2012 to demonstrate that the District has addressed the five Commission recommendations, resolved the deficiencies, and now meets Eligibility Requirements and Accreditation Standards.

A follow up visit was conducted at the Peralta Community College District on April 16 and 17, 2012. A team of five experienced evaluators were assembled. Three evaluators had two prior visits to the Peralta Community College District, and their area of specialty was finance and budget. The overarching issue with Peralta that still remained a concern to the Commission was the plan for and implementation of a financial plan to address the Other Post Employment Benefits (OPEB) matter. Without the satisfactory resolution of this matter, the District and Commission knew the fate of the District and Colleges may be in jeopardy.

When the visiting team was assembled, the Chair assigned each member to a recommendation, designating a lead team member for the written report of their assignment. Their task prior to meeting on April 16 was to read the Follow-Up Report, identify how the Report addressed the recommendations, and to develop questions for the subsequent meetings on April 16 and 17.

Two of the team members were assigned Recommendations 1, 2, and 3. Their expertise allowed them to address the fiscal matters expressed in the Commission Action letter and they had prior knowledge of the process Peralta was using from previous visits to the district and colleges.

The chair, with the assistance of another member of the team, examined how the District – specifically the Board of Trustees – addressed the governance issues presented in Recommendation 4.

In addition to the fiscal concerns, the team was very concerned about the level of support for the educational programs at the colleges and the financial support for these programs that supported students and programs. To that end, two members of the team were directed to focus on the extent to which the fiscal capacity of the District had an effect on the educational quality of the colleges as noted in Recommendation 5. While these two members had no prior knowledge of

Peralta, their areas of expertise in student services and instruction proved invaluable on both days.

The team asked to meet with the Chancellor, Vice Chancellor of Finance and Administration, and the Fiscal Adviser from the Education Management and Assistance Corporation (EdMAC). This meeting occurred on the evening of April 16. The team met again on April 17 at 8:30 am in the Peralta Community College district offices to begin their meetings with staff. Included is a complete list of the meetings on April 16 and 17, (see appendix).

After introductions, the team members began their questioning, listening, and note taking with the assembled district staff on all five recommendations.

The Commission Action Letter of June 30, 2011 focused on five recommendations which affected the accreditation status of the district and colleges. Those 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 (ACN) 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 Vavrinc, 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.

Discussion of the Institution's Responses to the Commission Action Letter and Responses to the March 15, 2012 Follow Up Report

The Commission Action Letter required the colleges of the Peralta Community College District to respond to all recommendations assigned to them in their respective Midterm Reports due in March 2012. It also required the District to submit a Follow-Up Report by March 15, 2012 and respond to the five Commission Recommendations. The Report was to demonstrate that the District has addressed the recommendations, resolved the deficiencies, and now meets Eligibility Requirements and Accreditation Standards.

District/College Responses to the Recommendations

The team noticed that since the last visit in April, 2011 the staff at the District and Colleges took the recommendations very seriously. The Follow-Up Report was well written and included broad representation from the District, the Colleges, and the Board of Trustees.

Based upon the reading of the report and interviews with staff, there is ample evidence that since the last visit in April, 2011 the District has made substantial progress on all of the recommendations.

The team noticed and was favorably impressed that 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.

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.*

Observation, Analysis and Evidence

The District had two different sets of OPEB related liabilities to identify in order to develop a comprehensive plan: GASB 45 related OPEB liabilities, and liabilities related to the debt service of OPEB bonds. The team dealt with the GASB 45 matter first and the Debt Service matter second.

- GASB 45 Related OPEB Liabilities – On March 21, 2011 the District received the OPEB actuarial valuation report, as of June 30, 2010, issued by Bartel and Associates. The actuarial report identified the Unfunded Actuarial Accrued Liability of GASB 45 related OPEB at approximately \$221,198,000. Through interviews and a comprehensive review of the data set as specified in the report, it is the opinion of the team that this report has allowed the District to identify GASB 45 related OPEB liabilities in a manner that allowed them to develop a comprehensive plan and to formulate and act upon that plan. In short, they know the extent of the problem they face and they began to address it by developing a plan which is being executed by the district.
- Debt Service Related OPEB Liabilities – The District has provided the team with all related debt service schedules and has identified all outstanding debt service. The District has several outstanding debt service issuances (principal balances as of June 30, 2011):
 1. 2005 Taxable Limited Obligation OPEB Bonds: \$132,682,794
 2. 2006 Bond Modification and Restructuring: \$10,627,864
 3. 2009 Limited Obligation Refunding: \$45,065,000

While the GASB Liabilities and Debt Service are shown as separate issues, they have to be dealt with in tandem. The Board, in conjunction with the EdMAC consultant and the OPEB Retirement Board, has an aggressive and effective strategy that they have been following for the past two years. Additionally in 2011 the District refunded the 2009 bonds to provide short-term solvency and equity relief.

Through interviews and a comprehensive review of the audit report and OPEB Retirement Board agendas and minutes, it is the opinion of the team that the District has identified debt service related OPEB liabilities in a manner that allowed them to develop a comprehensive plan to put into action.

In 2011 the District reestablished an OPEB Retirement Board consisting of Board of Trustee members, with the assistance of key senior administration, to develop a comprehensive plan to deal with outstanding debt/liabilities. This Board has held meetings on a monthly basis and, follows this plan. The District has developed a plan to address OPEB issues in two phases:

- Phase 1 (Short Term): Address short-term solvency, budgetary, and equity issues providing the District with time to address the longer-term issues.

One of the most immediate issues facing the District was the accelerated debt payment related to bonds in the short term. These accelerated payments would have resulted in debt service payments from the unrestricted general fund increasing from \$7.4 million in 2012 to \$17.35 million in 2016, which would have resulted in massive cuts to programs at the college level. To provide budgetary relief in the short term and allow the District time to deal with the longer-term issues, the District restructured outstanding debt in 2011 that resulted in a reduction of debt service payments of \$27 million. The savings related to this restructuring will contribute to the District's financial stability in the short term.

- Phase 2 (Long Term): Address the long-term issues such as eliminating remaining SWAP and high cost debt while addressing the GASB 45 related liabilities.

In the long-term the District has two major issues:

1. Acceleration of long term debt payments caused by SWAP agreements.
2. OPEB liabilities related to GASB 45.

To deal with the acceleration of long-term debt payments related to SWAP agreements the District has entered into negotiations with the five investing entities that hold the SWAP agreements to enter into a tender program. If the District is successful in negotiating a tender program it will make significant progress in dealing with long-term liabilities. (The District is having positive negotiations with the five investment entities that hold the SWAP agreements.) Additionally the District has shown significant forethought in accumulating \$12.4 million in an OPEB reserve. This was first established by Board action in 2010 by assessing an OPEB charge of 12.9% that is placed in an OPEB reserve and will later be placed in an irrevocable trust.

While this action was not viewed with universal approval by some faculty and administrators, there was ample evidence of communicating this to all segments of the college and district communities. This was a reduction to programs, however most programs reduced expenditures in other areas to make up for this reduction. Additionally, colleges became very aggressive in the pursuit of State and federal grants to augment their services.

Over a 25-year period the District projects that the OPEB charge will result in \$150 million of deposits into the OPEB Trust. It is estimated, using actuarial assumptions, that over 25 years the District will have a current present value of assets held in trust of approximately \$278.35 million which will be \$57 million in excess of the current Unfunded Actuarial Accrued Liability resulting in a surplus that can be used toward other District goals. The actuarial study is done every two years and if adjustments need to be made to the assumptions they are made and taken to the Retirement Board for approval and then to the Board of Trustees to approve adjustments to the assumptions. An outside firm conducts their actuarial studies.

Conclusion

The team reviewed all relevant documentation and interviewed the Chancellor, Vice Chancellor of Finance and Administration, Vice Chancellor of Educational Services, Vice Chancellor of Human Resources, the Fiscal Adviser, Laney College President; and members of the District Budget and Planning Committee. It was evident through both interviews and reviewing of evidence that the District has successfully identified the outstanding liabilities related to OPEB and have put into place a fluid and flexible plan to handle the outstanding liability. The team was favorably impressed with the depth of knowledge by the Planning Council on these financial matters. The faculty represented on the Council by the Academic Senate and the Faculty Union understood and agreed with the plan. They have agreed with actions taken to date which included reducing the class schedules, streamlining services to students, combining programs and

becoming better planners. While not a pleasant task in their opinion they viewed them as necessary.

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 Vavrinek, Trine, Day, & Co. LLP, Certified Public Accountants' audit reports for years 2008, 2009, and future audit reports issued after the date of this recommendation.*

Observation, Analysis and Evidence

The District continues to use the Corrective Action Matrix (CAM) as a way to track and monitor the status and progress of the remaining audit findings noted in the Districts independent audit. This issue was problematic for the District because it took a while to actually close the fiscal year in 2008 and 09. The team verified the CAM against the independent audits for 2008-2009, 2009-2010 and 2010-2011 and confirmed the District has reduced audit findings from 53 noted in the 2008-2009 audit report to 23 in the 2010-2011 audit report. The District continues to update the CAM on a monthly basis and as of April, the District believes it has addressed 9 additional audit findings in the current year; leaving 14 remaining findings that are in progress.

Conclusion

The team reviewed all relevant documentation and interviewed the Chancellor, Vice Chancellor of Finance and Administration, Vice Chancellor of Educational Services, Vice Chancellor of Human Resources, the Fiscal Adviser, Laney College President; and members of the District Budget and Planning Committee. It was evident through both interviews and reviewing of evidence that the District has made great progress in resolving outstanding audit findings, specifically in relationship to items identified in the Department of Education letter. The District has reduced its outstanding audit exceptions and has reduced the incidence of new exceptions.

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.*

Observation, Analysis and Evidence

The District has taken clear steps to secure long-term fiscal stability related to resolution of collective bargaining agreements and post-employment benefits. The team was able to confirm that the District has entered into three year agreements with all employee groups approved at the April 24th meeting. The agreements are in effect until 2015 and result in a "soft cap" for retiree

benefits, which will reduce the accumulation of liabilities related to post-employment benefits moving forward. This agreement helps with Recommendations I and II.

Additionally, the team found evidence of ample communication and cooperation between the District, individual colleges, and constituency groups through the District's Planning and Budgeting Integration Model (PBIM). The PBIM has allowed for integrated planning and budgeting occurring across the four colleges and the District Office. In August 2011, strategic goals and institutional outcomes were adopted with a focus on student success in core educational functions. Specific goals were included to "Develop and Manage Resources to Advance Our Core Goals". To meet its stated goals and to ensure fiscal capacity and stability the District has placed a parcel tax initiative on the June election ballot. The parcel tax, which is to be used to ensure course and program offerings at the colleges is currently polling at 72%. The tax will provide the district with \$6 million – \$7.5 million a year for eight years. If successful, this additional revenue will provide stability to the educational program offerings as well as support the fiscal actions the district.

Conclusion

The team reviewed all relevant documentation and interviewed the Chancellor, Vice Chancellor of Finance and Administration, Vice Chancellor of Educational Services, Vice Chancellor of Human Resources, the Fiscal Adviser, Laney College President; and members of the District Budget and Planning Committee. It was evident through both interviews and reviewing of evidence that the District has made great progress in resolving differences between the District and bargaining units. The District is to be complemented on its ability to come to agreement on contract reductions and a contract that will be in place for three years.

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.

Observation, Analysis and Evidence

In 2009, ACCJC comprehensive evaluation teams visited Berkeley City College, College of Alameda, Laney College, and Merritt College. In addition to making recommendations for improvement for the respective colleges, each team also made findings that the Peralta Community College District was out of compliance with standards concerning Board and District administration.

In 2010, an ACCJC Special Visiting Team expanded on the concerns identified in 2009 with recommendations related to the clarification of both the role of Board members and the Board, training for the Board, and management on roles and functions as it relates to District policy and operations, and assurance that the Board was relying on the Chancellor to carry out Board policy. A related event that informed the visiting team recommendations was a Grand Jury report that

resulted in numerous policy and administrative changes, and the appointment by the State Chancellors Office of a Fiscal Advisor to assist the District with accreditation and fiscal stability measures.

- In response to the 2010 Special Visiting Team report, the District began implementation of a systematic review and revision of the existing policies and administrative procedures; however, upon review of the District's 2011 Follow-Up Report, the ACCJC approved a recommendation that the "...District must evaluate all Board Policies and implement actions to resolve deficiencies." Consequently, in July 2011, the District adopted a more comprehensive approach by utilizing the Community College League of California (CCLC) framework for policies and procedures and undertaking an aggressive plan to renumber and transition the existing District Board Policy Manual to the new framework. In 2011 a consultant was hired for the specific purpose of Board Policy and Administrative Procedure Review. This new position has expedited the progress the District has made in reviewing and renumbering all policies as recommended by the Commission.

The visiting team met with the following representatives of the Peralta Community College District and reviewed the Board Policy and Administrative Procedures tracking matrix (dated April 17, 2012) and binder (dated April 16, 2012) to determine the current status, progress, and plans for recommendation #4 on Board Policies and Administrative Procedures:

- Interim Chancellor, Peralta Community College District
- Vice Chancellor of Finance and Administration
- Fiscal Adviser, California Community Colleges Chancellor's Office
- Vice Chancellor Educational Services
- President, Berkeley City College
- President, College of Alameda
- President, Laney College
- Interim President, Merritt College
- Consultant, Peralta Community College District Policies Administrative Review
- President, Board of Trustees
- Vice President, Board of Trustees

Under the leadership of the Consultant, the District is making positive progress toward the review, approval, and implementation of policies and administrative procedures using the framework developed by CCLC. At the time of the visit approximately 50% of the policies and procedures have been approved by the Board of Trustees, and another 25% of the policies and procedures have been drafted and/or are currently under review. Following is the current status of the policy and administrative procedures review:

- 1000s – The District – policies and procedures finalized
- 2000s – Board of Trustees – policies and procedures finalized
- 3000s – General Institution – 50% of policies and procedures finalized
- 4000s – Academic Affairs – policies and procedures finalized

- 5000s - Student Services – in progress
- 6000s – Business and Fiscal Affairs – drafted, under review
- 7000s - Human Resources – in progress

According to Peralta fiscal adviser, the Chancellor, Vice Chancellor of Educational Services and the consultant, the initial work for the policies and procedures review focused on the delineation of function between the Board and the Chancellor, which culminated in Board Policy 2410, Board Policy and Administrative Procedure. This policy emphasizes the role of the Board in approving policy, and the role of the Chancellor in developing and implementing administrative procedures consistent with the intent of Board policy.

Upon the completion of the Board Policy and Administrative Procedure, the District identified specific policies that required immediate implementation. For example, Board Policy 6300, General Accounting; and Board Policy 7400, Travel Requests and Expense Claim Forms. The revision of both of these policies was required to respond to operational needs and Grand Jury recommendations. Having completed the review of critical policies and procedures, the focus of the review transitioned to the systematic review of all policies and procedures beginning with the 1000s. However, parallel with the systematic review process, review began by Educational Services and the Academic Senate for the 4000s, Academic Affairs; and by Finance and Administration for the 6000's, Business and Fiscal Affairs.

A significant challenge for the District during the review was that the administrative procedures were often either embedded within the policies or not in a written format. The College Presidents acknowledged in a meeting with the team that heretofore there were often unwritten procedures known informally as the "Peralta Way." The identification of clearly written administrative procedures was viewed by the College Presidents as a significant improvement that has strengthened the organization and the colleges' performance and effectiveness by eliminating the ambiguity that was present for so long.

A prior concern identified by visiting teams was the utilization of a Board committee structure which was often viewed as micromanagement. Several years ago the Board disbanded the committee structure and placed it in abeyance. The President of the Board of Trustees informed the team that the formal dissolution of the committee structure is scheduled for the next board agenda.

Upon review of the documentation and meeting with the District representatives, it became apparent that the District has developed a comprehensive plan and is actively engaged in implementing procedures that will result in the timely completion of the District Board Policies and Administrative Procedures. The consultant responsible for the District review, appears to be well prepared to lead this process. He has worked previously within the community college system as an instructional, student services, and administrative Vice President. He was also responsible for the revision, approval, and the implementation of the Compton Community College policies and procedures manual. Interviews with district representatives verified that the process, procedures, and leadership for the policy renewal are valued, and that the approval process is collaborative and appropriate.

Conclusion

The team finds that the District has met all of the essential policies required to meet the recommendation and is making sufficient progress reviewing, evaluating, approving, and implementing the remaining Board policies and administrative procedures within the Community College League of California (CCLC) framework to meet the identified timeline for completion of October 2012.

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.

Observation, Analysis and Evidence

- Standard III.D – In order to evaluate the impact on the financial decisions on educational quality for the District/Colleges, the team interviewed key institutional leaders, attended meetings, and reviewed submitted reports and evidence. The team found that all colleges, as well as the district, displayed a consistent, profound commitment to the preservation of educational quality and opportunities for students in spite of the financial challenges they were addressing.
- Eligibility Requirement #5 – Administrative Capacity – The team verified that the Peralta District and Colleges have the administrative staff to support its mission and purpose, programs, and services. The organizational charts for each district office and each college were provided as evidence to the team. Since the last accreditation visit, a number of key administrators were hired or are currently being recruited. In meeting with the Vice Chancellor of Human Resources, the following administrative staffing at each of the colleges was verified:
 - Laney College has five approved dean positions, four of which are filled permanently. The Dean of Academic and Student Affairs (Math and Sciences) is currently out for recruitment, as is the Executive Vice President of Student Learning.
 - Merritt College has three dean positions, two of which are filled with permanent candidates. The remaining dean position is filled on an interim basis.
 - Berkeley City College has two dean positions, one of which is filled permanently and one of which is filled on an interim basis.
 - Alameda College has two dean positions, both of which are filled permanently.

In addition to addressing the administrative needs of the colleges, a Chief Administrative Officer, Technology and Information Systems was hired permanently, and an Acting Associate Vice Chancellor for Finance was appointed. These District staff positions complement the overall administrative team of the District.

Team members met with members of the District’s Planning and Budgeting Council on a number of issues. During the discussion several faculty members of the committee discussed the level of confidence and trust they have in their respective administrative teams. They described how they work together with their deans, department chairs, and vice presidents, for example, when implementing the workload reductions for the current budget year. They acknowledged that the decisions they are making are not popular and are difficult to make at times, however they believe and the evidence supports that they have not abandoned their educational mission.

Based on the observations and evidence discussed above, the team concluded that the District/Colleges meet this Eligibility Requirement.

- Eligibility Requirement #17 – Financial Resources – The team verified that the District/Colleges documented a funding base, financial resources, and plans for financial development adequate to support student learning programs and services, to improve institutional effectiveness, and to assure financial stability.

The team concluded that this recommendation has been met. Additional information concerning the satisfaction of this requirement is included in Recommendations 1, 2, and 4.

With regard to having adequate funding, the District/Colleges are working collaboratively through their shared governance structures to develop an allocation model of base funding for each of the colleges. This model has been implemented and is patterned after the former SB 361 funding model. The model identifies discretionary and non-discretionary (personnel) funding. Any additional monies (e.g., growth when available) are distributed to the colleges according to established criteria (e.g., productivity targets, staying within budget, and student achievement data).

In addition to state funding, the District/colleges have excelled at securing external grant funding to augment and expand current educational programs and to respond to emerging career technical and/or community needs. According to documentation provided to the team, the District/colleges had more than \$28 million in grant funding (including categorical funding and financial aid). The general breakdown of that grant funding by College is as follows:

College	Number of Grants	Total Grant Funding
Alameda College	22 grants	\$6,095,332
Berkeley City College	17 grants	\$2,937,454
Laney College	31 grants	\$9,537,471
Merritt College	33 grants	\$7,711,388

In addition to the college grants, the District receives \$1,833,985 from 10 grants. (See grant listing provided by the district).

Beyond the scope of the funding, however, the faculty, staff, and administrators of the District/colleges clearly articulated a commitment to student learning and success. When

members of the visiting team met with all four college presidents, that commitment began to be articulated. The presidents described their efforts to strategically move toward improved practices approximately six years ago. They provided in-depth discussion about eliminating duplication of services, working collaboratively to identify which colleges should host certain career technical programs. More importantly, however, they described how the implementation of the new systems i.e., the Business Intelligence (BI) tool, the planning calendar, productivity report, – and the integration of those new systems have provided a sound infrastructure within which they could provide tools to all levels of leadership to effectively manage their colleges. They stressed the leadership provided by the Chancellor and the Vice Chancellor of Finance and Administration (CFO) brought transparency to fiscal operations and given them the tools they had not had before. The presidents also noted that the board is working in a more synergistic, cohesive manner than ever before and is staying focused at the broader policy level. They added that the emphasis on strategic planning and program review has been invaluable in helping them meet the educational and fiscal challenges of the district.

When asked about the district's ability to address institutional research capacity to support programmatic improvement for the colleges, the presidents explained that the research tools built into the program review and annual unit planning process provided a wealth of information at their fingertips. The BI tool provides report queries that faculty, staff, and administrators can use during these processes. The tool can disaggregate student outcome data by demographic characteristics, enrollment categories, productivity measures, etc. The presidents noted that should they need additional research reports, the district research staff is always accommodating and can provide the needed material.

When asked about coping with additional proposed cuts from the State, all of the presidents expressed a confidence in their ability to navigate those challenges. They explained that for the first time they have accurate, transparent budget information, research available almost instantaneously, and the collaborative support of their faculty and staff to meet future challenges head on. They described processes centered on shared governance structures and an integrated vision centered on the district's strategic planning directions.

In addition to meeting with the presidents, members of the visiting team also met with the district's Planning and Budgeting Council which included administrators and faculty members in key leadership positions (e.g., senate presidents, union president, etc.)

As the group was asked about the impact of the recent fiscal exigencies on the quality of education, the faculty input mirrored that of the presidents in many ways. For example, one faculty member noted that the recent workload reduction from the state was implemented after the department chairs worked extensively with their deans and vice presidents to make the necessary reductions. They described using data (from the BI tool and other sources) to determine which courses could be cut. In the district's March 2012 follow up report, each college articulated a set of principles they used to make these cuts. For example, Merritt College reported using enrollment and completion data in these decisions. This was reiterated in the team's discussion with the faculty in the Planning and Budgeting Council.

When pressed with questions about the district's support of their colleges, the faculty and administrators described a collective, focused commitment to student learning. They described several initiatives that were improving student success. Some of these examples included acceleration of course material, modularizing course material, the use of learning communities, mandatory orientation, etc. During the discussion, there was a palpable, clear "we do whatever it takes" attitude toward student learning.

After being asked how they would handle a faculty member whose performance deviated from the rest of his respective department members, a number of options were mentioned. First, the group articulated that during the evaluation process, the faculty member would have a discussion with his or her dean concerning the data and appropriate coaching, mentoring, or other avenues would be explored. Other faculty members mentioned that most departments have routine discussions about student success data and that the processes related to the assessment of student learning outcomes helped them hold each other accountable for student learning.

The words of one faculty member provided evidence of how much the college has changed and the depth to which these changes are institutionalized. He noted, "Even though I get frustrated, it's different now. I have more faith that the things I don't like can be fixed. As we work through it, it will get better and better, better than anything we've ever had."

Conclusion

The interviews conducted and the evidence reviewed provided clear documentation for the visiting team that the educational quality of the colleges' programs is being maintained. The fiscal challenges faced by the District have provided an innovative, creative impetus around which faculty, staff, and administrators have rallied to improve student success. Program and service duplication have been eliminated and programs have been moved and consolidated among colleges. College decision making is guided by, student learning and program completion in an integrated, strategic planning structure that all groups were able to describe. The team concludes that the District/Colleges meet this Standard.

Appendix

**Peralta Community College District
Accreditation Visit
Draft Agenda for Tuesday, April 17, 2012**

	Board Room	HR CONFERENCE ROOM (Information Systems)
8:30-9:30	Vice Chancellor of Finance and Administration Regarding: Finance/ OPEB Recommendation 1 OPEB Recommendation 2 Audit Recommendation 3 Fiscal Capacity Recommendation 5 Administrative Capacity/Ensuring Educational Quality	
9:30-10:00	Consultant: Recommendation 4 Board Policies and Administrative Procedures	Vice Chancellor of Human Resources Recommendation 3: Collective Bargaining
10:00-10:15	Break	
10:15-10:45	Meet with members of the Planning and Budgeting Integration Council: Recommendations 4 and 5	
10:45-11:15	Meet with Signatories of the report: District Administrators, College Presidents, and Overall Report Signatory	
11:15-11:30	Break	
11:30-12:30	Working Lunch- Meet with Chancellor and College President, and President & Vice President of the Board: Recommendations 1 and 4	
12:30-1:30	Meet with Board of Trustees President and Vice President: Recommendations 1 and 4	
1:30-???	Follow up conferences- Additional Meetings ALO's from each College as well as Presidents as to Recommendation 5; Perhaps Faculty Senate Presidents?	

Possibly meet with Fiscal Advisor and Chancellor Monday afternoon, April 16, 2012

