

EXTERNAL EVALUATION REPORT

Peralta Community College District

333 East 8th Street

Oakland, CA 94606

A Confidential Report Prepared for the
Accrediting Commission for Community and Junior Colleges

This report represents the findings of the External Evaluation Team that visited

Peralta Community College District

March 9-12, 2015

Dr. Henry Shannon, External Evaluation Team Chair

**Peralta Community College District
External Evaluation Team Roster
Monday, March 9 – Thursday, March 12, 2015**

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SUMMARY OF THE EVALUATION REPORT

INSTITUTION: Peralta Community College District

DATE OF VISIT: March 9 through March 12, 2015

TEAM CHAIR: Dr. Henry Shannon, Superintendent/President, Chaffey College

SUMMARY

Accreditation teams visited the four community colleges and the district office of the Peralta Community College District during the week of March 9-12, 2015 for the purpose of determining whether and how well each institution continues to meet Accreditation Standards, evaluating how well the college is achieving its stated purposes, and providing recommendations for quality assurance and institutional improvement.

The approach taken in evaluating the Peralta colleges was to have separate teams for each of the four colleges and a district office team as well. At the conclusion of the visit, the team submitted a confidential recommendation to the ACCJC.

In preparation for the visit, the team chair attended a Team Chair Workshop conducted by Dr. Barbara Beno, ACCJC President, on January 20, 2015 at Coastline Community College District. The entire team attended a training conducted by ACCJC Vice Presidents Jack Pond and Dr. Susan Clifford on February 10, 2015 in Los Angeles. The team was trained on methods for conducting an effective evaluation, compliance with Commission Standards and Policies, and the latest application of United States Department of Education Regulations and Guidelines.

During the March 9-12 visit to the Peralta Community College District, the team met with the Chancellor, Governing Board Members, and key members of the Chancellor's Cabinet. The District Team Chair also had in person and well as CCC Confer conference calls daily with District team members and College Team Chairs. The development of the District commendations/recommendations was a collaborative effort of the College Team Chairs and the District Team.

INTRODUCTION

The ACCJC evaluates multi-college districts/systems as part of the comprehensive evaluation of accredited colleges. The Peralta Community College District (PCCD) is a multi-college district providing services and functions that enable the four PCCD colleges (Berkeley City College, College of Alameda, Laney College and Merritt College) to operate and meet accreditation standards. The ACCJC recognizes the important role a district plays in the ability of colleges to meet accreditation standards and has established guidelines for visits to districts/systems.

The Peralta Community College District, established in 1964, is a system of public two-year colleges, serving the residents of the cities of Oakland, Berkeley, Alameda, Piedmont, Emeryville, and Albany. The district was born out of several institutions, including The Part Time School, Central Trade, later renamed the Joseph C. Laney Trade and Technical Institute, and the Merritt School of Business.

In July 1953, the Oakland Board of Education organized Oakland Junior College and developed what are now Laney and Merritt Colleges as separate campuses of this new institution. In September 1954, the Merritt campus instituted a liberal arts division in addition to its business division, and the following year students were able to earn an associate in arts degree. Shortly thereafter, the name was changed to Oakland City College. In November of 1963, the residents of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont voted to join with Oakland to establish a separate junior college district, and on July 1, 1964, the Peralta Community College District was officially formed.

Taking its name from Luis Maria Peralta, the Spanish soldier to whom the 44,800 acres on which the six cities of the modern district lie were granted in August 1820, the Peralta Community College District determined to make each of its campuses a comprehensive college, offering vocational, occupational, and liberal arts courses. Throughout its history, the Peralta Community College District has dedicated itself to creating opportunities for the people it serves, and will continue to do so.

PCCD reported on District-wide changes made since the completion of the College Institutional Self-Evaluation Reports. In the area of finance, the District has updated the Budget Allocation Model and created a Corrective Action Matrix in resolution of audit findings. Regarding technology, the District has implemented a new Financial Aid module in PeopleSoft and implemented student use of the new CCC APPLY. The PCCD has completed the final draft of the PCCD 2015 Strategic Plan and updated Board Policy and Administrative Procedure 2105: Student Board Members using the CCLC Model. Finally, the District has created a District-wide Distance Education Committee, a subcommittee of the District Education Committee.

COMMENDATIONS AND RECOMMENDATIONS FOR PERALTA CCD

DISTRICT COMMENDATIONS

District Commendation 1. The District's Institutional Research Department is commended for its work in creating a robust data system for a complex multi-college district. By continuously refining its data model, by developing and supporting a multitude of standard reports and dashboard/data mining reporting strategies, and by providing the needed user training, the department makes available a critical toolset that should be used as the foundation of evidence-based practice.

District Commendation 2. The team commends the district and the individual colleges for their efforts to ensure that hiring practices cultivate a workforce that is as diverse as the student population. The district and the colleges within it have successfully maintained college personnel that mirror the student demographics, which enrich the college environment and promote equity.

DISTRICT RECOMMENDATIONS TO RESOLVE DEFICIENCY

Fiscal Management

District Recommendation 1. In order to meet the Standard, the team recommends that the District follow the 2014 audit recommendations and develop an action plan to fund its Other Post-Employment Benefits (OPEB) liabilities, including the associated debt service (III.D.1.c, III.D.3.c, III.D.1.c).

District Recommendation 2. In order to meet the Standard, the team recommends that the District resolve comprehensively and in a timely manner the ongoing deficiencies identified in the 2013 and 2014 external audit findings (III.D.2.b, III.D.1.h).

Global Planning

District Recommendation 3. In order to meet the Standards, the team recommends that District General Services (DGS) work with college personnel to implement a plan to address total cost of ownership for new facilities and equipment, including undertaking critical deferred maintenance and preventive maintenance needs at the college in order to assure safe and sufficient physical resources for students, faculty and staff (III.B.1, III.B.1.a, III.B.2.a).

Institutional Effectiveness

District Recommendation 4. In order to meet the Standards, the District should clearly identify the structures, roles, responsibilities and document the processes used to integrate human, facilities, technology planning, and fiscal planning in support of student learning and achievement and regularly evaluate the process in order to fairly allocate resources to support the planning priorities (III.A.6, III.B.2, III.C.2, III.D.4, IV.B.3.g).

District Recommendation 5. In order to meet the Standards, the team recommends that the district ensure retention of key leadership positions and that adequate staffing capacity is available to address the demands of three critical areas reflected in the accreditation standards: institutional effectiveness and leadership, institutional research, and financial accountability and management (III.A.2, III.A.6).

Governance

District Recommendation 6. In order to meet the Standard, the team recommends that the district clearly delineate and communicate the operational responsibilities and functions of the district from those of the colleges and consistently adheres to this delineation in practice; and regularly assesses and evaluates district role delineation and governance and decision-making structures and processes to assure their integrity and effectiveness in assisting the colleges in meeting educational goals (IV.B.3).

District Recommendation 7. In order to meet the Standards, the team recommends the Governing Board adhere to its appropriate role. The Board must allow the chancellor to take full responsibility and authority for the areas assigned to district oversight (IV.B.1, IV.B.1a, IV.B.1.e, IV.B.1.j).

District Recommendation 8. In order to meet the Standards, the team recommends that the District systematically evaluate the equitable distribution of resources and the sufficiency and effectiveness of district-provided services in supporting effective operations of the colleges (IV.B.3.b, IV.B.3.c, III.D.1.a, III.D.1.b, III.D.1.h).

EVALUATION OF RESPONSES TO PREVIOUS RECOMMENDATIONS

2009 District Recommendation 1: Board and District Administration:

The team recommends that the district assess the overall effectiveness of its service to the college(s) and provide clear delineation of functional responsibilities and develop clear processes for decision making.

Response:

Central to addressing this recommendation was the implementation in Fall 2009 of the Planning and Budgeting Integration Model (PBIM) and the district-level committee structure comprised of the District Technology Committee, the District Facilities Committee, the District Education Committee, and the higher level Planning and Budgeting Council, which reports directly to the Chancellor. Each of these four committees includes the appropriate district office vice chancellor or associate vice chancellor, appropriate district and college administrators, faculty, and staff from the four colleges and district office service centers. What was noted in 2009, and has proven to be true, is that these committees and their membership are able to actively address district services and through well-designed meeting agendas are able to focus on collaboration between the District Office service centers and the colleges, especially in relation to centralized services. This structure has provided clarity regarding district versus college functional responsibilities and a clear process for decision making, with all final decisions being made by the Chancellor. The Chancellor's Cabinet is comprised of the four college presidents and lead district administrators.

As noted previously when this process was implemented five years ago, it was agreed that college planning is the foundation of the Planning and Budgeting Integration (PBI) process since the colleges are closest to and most responsible for the educational needs of the students and it is the colleges that are charged with ensuring student success. The PBI requires the colleges to conduct program reviews every three years, to provide annual program updates, and to develop annual educational and resource planning priorities. These efforts are in alignment with the five district strategic planning goals and the annual institutional objectives/outcomes. The colleges integrate the results of their program reviews into planning, in technology committees, curriculum committees, facilities committees, etc. During the annual institutional planning process, the colleges develop plans addressing instructional and student services programs, staffing priorities, fiscal priorities, IT and equipment, facilities, and marketing. It has been established that the planning of the four colleges must drive district planning, which then drives the provision of district services or centralized services.

The role of the Education Committee, Technology Committee, and Facilities Committee is to support the colleges in coordinating their efforts and resolving issues. These committees also provide subject matter expertise in their respective areas by including college and district representatives with relevant knowledge, responsibility, and experience. These committees are responsible for communicating with their counterpart committees at the colleges. These district committees are charged with developing district-wide recommendations that best serve students and the community by using evidence-based processes and criteria. Further, the overarching Planning and Budgeting Council is charged with making recommendations to the Chancellor.

The Council often receives draft policy initiatives from the Chancellor in his effort to seek input and recommendations before he takes any significant action.

The Planning and Budgeting Council (PBC) is responsible for providing oversight on the implementation of strategic planning and annual institutional objectives/outcomes. In fact, each of the four committees is required to set annual objectives aligned with the strategic planning goals. The PBC also ensures accountability.

The PBI process begins each year with an all-day off-site summit wherein all committee members gather and hear from the Chancellor regarding the key issues that need to be addressed during the year. The committees begin to set their annual objectives and to review the previous year's objectives. The summit has proven to be a key reminder of the need for District Office service centers and the colleges to work collaboratively, transparently, and accountably – which addresses functional responsibility and decision making.

Complementing the PBI process, the Chancellor's Cabinet meets weekly. The Chancellor's Cabinet is comprised of the Chancellor, the four vice chancellors (Educational Services, Finance and Administration, Human Resources and Employee Relations, and General Services), the Associate Vice Chancellor of Information Technology, the Associate Vice Chancellor of Students Services, General Counsel, the Director of Public Information, Communication and Media, and the four college presidents. The cabinet has helped to clarify functional responsibilities and processes for decision-making. The Chancellor's Cabinet reviews the work and actions of the PBI Committees and addresses topics which may be sent to the PBI Committees for input and feedback. The ongoing weekly interactions among these cabinet members facilitate open dialogue regarding all aspects of district planning and district operations.

During the process of updating Board Policies and District Administrative Procedures, two administrative procedures relevant to this recommendation were approved. AP 2430 (Delegation of Authority to the Chancellor's Staff) details the roles and responsibilities of district managers who report directly to the Chancellor. AP 3250 (Institutional Planning) details decision making through the district-level committee process.

The district has continued to address this recommendation regarding a clear delineation of functional responsibilities and clear processes for decision making. The district and colleges meet the standards association with this recommendation.

Since the fall of 2009, the district administration has been implementing the Planning and Budgeting Integration Model. The district has revisited the district level committee structure to provide clarity on the functions of each unit at the district level. The district has developed the Planning and Budgeting Integration (PBI) process directly linked to the college planning process. The PBI process outlines the decision making process and evaluated every year. Board policy related to establishing clear functional responsibilities and decision making has been revised.

Conclusion:

With the additional structure established, the district has fully implemented the recommendation.

2010 District Recommendation 2:

In order to meet the Standards, the team recommends the District evaluate the reporting structure with regard to the inspector general so that the position is properly placed in the hierarchy of the district organization.

Response:

The inspector general position has been eliminated.

Conclusion:

This recommendation is no longer applicable to the District's organization.

2010 District Recommendation 7:

In order to meet the Standard, the visiting team recommends a change in the reporting relation of the Inspector General from the Board of Trustees to the Chancellor.

Response:

As reported in the Follow-Up Report of October 15, 2010, at the District Board Meeting on July 19, 2010, it was unanimously agreed that the Inspector General position would report directly to the Chancellor. On January 5, 2011, the individual serving in this position resigned from the District. At that time, the position was discontinued.

The Follow-Up Report dated October 15, 2010 demonstrated the change in the reporting structure of the Inspector General. Furthermore and according to records, the position of Inspector General has been discontinued as of January 2011.

Conclusion:

The district has fully implemented the recommendation and recognized the change to discontinue the position.

2010 District Recommendation 3:

In order to meet the Standard, the team recommends that District clarify the role of the board members with respect to the work of the District managers. This would include a review of reporting structures, methods for board inquiries, distinction between board policy setting and oversight, and management, leadership, and operational responsibilities for the District.

Response:

Board policies have been updated to clarify the role of Board members with respect to the work of the district Chancellor. The delegation of responsibilities has been defined through board policy. During an interview with the Chancellor, this standard remains an area of concern as the district must clarify the role of board members with respect to district managers and operations. In the Special session meeting held on March 9, 2015, the Board discussed the mechanisms for communicating with the Chancellor, methods for board inquiries, delegation of authority issues and role distinction but articulated the challenges operationalizing board policy.

Conclusion:

The recommendation has not been implemented.

2010 District Recommendation 4:

In order to meet the Standard, the team recommends the District provide ongoing and annual training for board and management on roles and functions as it relates to District policy and operations.

Response:

Since 2010, a series of board workshops have been provided to the board on critical topics: roles and responsibilities, and financial responsibilities of trustees, discussion on 2010 accreditation recommendations, accreditation issues on governance and leadership, board governance, policies, strategic planning, board- chancellor relations, chancellor's goals, board goals and professional development (June, September, October of 2010, November 2011, October 2012 (2-day session), November 2013, December 2014, February 2015 board meeting agendas). In addition, the Board evaluation tool has been aligned to accreditation standards and district strategic goals.

It is noted that two trustees have completed the CCLC Excellence in Trusteeship program.

Conclusion:

The district has implemented the recommendation.

2010 District Recommendation 5:

In order to meet the Standard, the team recommends the District engage in ongoing discussion about the role of the board and how it serves its trustee role for the good of the District. The role of the board should be reviewed regularly with each board member.

Response:

The review of the ACCJC October 10, 2010 Follow-up Report highlights the board development activities that have engaged the board in understanding their role as trustees. Over the last five years, trustees have received trainings related to roles and responsibilities, governance and leadership. Most recently the board held a workshop to further develop knowledge and skills as

a high performing team. Results of evaluations conducted by the board continue to demonstrate the need for ongoing development. The Board would benefit from evaluating the impact of the development activities as it relates to board effectiveness. It is noted that trustees must pay more attention to the chancellor-board relationships.

Conclusion:

The district has implemented the recommendation. However, as reflected in Recommendation 1, below and in new District Recommendation 7 (2015), the District has not resolved the deficiency and does not meet the Standard.

January 2011 District Recommendation 1:

The team recommends that the 2010 Recommendation 5 be revised to include the following language: The Team additionally recommends that the Board of Trustees continue to redefine the appropriate roles of the Board and its relationship to the Chancellor. The Board of Trustees should refine and change the roles and charges of the Board Committees so that they also reflect an appropriate role for the Board.

Response:

As noted in recommendation 5 (2010) above, the recommendation, the trustees have completed a series of training to address trustees roles and responsibilities and governance. According to information posted on the Board Committees website page, the board of trustees have the following board committees in operation:

- Audit and Finance
- Board Policies
- Chancellors Search Committee
- Public Hearings
- Redistricting Committee
- Resolutions
- Retirement Board

Concerns about the board roles and its relationship to the chancellor are still evident based on information gathered through conversations with chancellor and the board. Evidence on the charge and responsibility of board committees was not found.

Conclusion:

The district has not implemented the recommendation.

2010 District Recommendation 8:

In order to meet the Standard, the visiting team recommends a regular review of board roles to assure that the board is relying on the Chancellor to carry out the policy set by the board.

Response:

The board workshops conducted annually have been focused the review of the board roles to assure the chancellor is carryout his responsibility to implement board policy.

Conclusion:

The district has implemented the recommendation.

2010 District Recommendation 9:

The team recommends the Board of Trustees and District adhere to their appropriate roles. The District must serve the colleges as liaison between the colleges and the Board of Trustees while assuring that the college presidents can operate their institutions effectively. Meanwhile, the Board must not interfere with the operations of the four colleges of the district and allow the Chancellor to take full responsibility and authority for the areas assigned to district oversight.

Response:

Over the last 5 years, trustees have received a variety of training to address the way in which they can adhere to their roles. The review of the 2010 ACCJC follow-up report provides the description on how the recommendation has been met.

In recent meetings with the chancellor and the board, it is worth noting that there are areas of concern related to how well trustees are adhering to their roles. Trustees are not evaluating how effective training and development activities are changing behavior and clarifying roles.

Conclusion:

The district has partially implemented the recommendation.

2010 District Recommendation 6:

In order to meet the Standards, the team recommends the board consider regular review of the code of ethics to assure thorough understanding and application of its intent.

Response:

The district completed the revision of the Board Policy 2710 Conflict of Interest and 2715 Code of Ethics and Standards of Practice. The policies delineate tenants for ethical conduct and conflict of interest. The policies reflect the duty of public officials under Common Law, the Political Reform Act, Government Code 1090 and specific statutory requirements and prohibitions under the Brown Act. Board workshops conducted during the cycle reveal annual training session on ethics, conflict of interest, and open government. The board self-evaluation includes the evaluation of the code of ethics.

Conclusion:

The District has implemented the recommendation. Board Policy 2715 Code of Ethics could include statements on behavior contrary to the Code of Ethics as part of the policy.

January 2011 District Recommendation 3:

The team recommends that the Board of Trustees develop and implement a plan to review all Board policies so that the policies reflect only policy language and that the operational processes for these policies be reflected in a system of administrative regulations (procedures).

Response:

The review of policy indicates that Board policy and administrative procedures revisions has been completed and meet the Community College League of California (CCLC) numbering system. The revisions began in 2011.

Conclusion:

The district has fully implemented this recommendation.

2012 Commission Recommendation 4:

[In the June 2011 action letter, ACCJC stated the following:]

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.

[In the July 2, 2012 letter, ACCJC updated the recommendation:]

The District has revised a significant number of its Board Policies. This project needs to be completed so that all policies are reviewed and revised as necessary by March 15, 2013.

The review of policy indicates that Board policy and administrative procedures revisions has been completed and meet the Community College League of California (CCLC) numbering system. The revisions began in 2011.

Conclusion:

The district has fully implemented this recommendation.

STANDARD I: MISSION AND INSTITUTIONAL EFFECTIVENESS

A: MISSION

General Observations

The Peralta Community College District was reviewed and approved by the Governing Board on June 10, 2014:

Our Mission

We are a collaborative community of colleges.

Together, we provide educational leadership for the East Bay, delivering programs and services that sustainably enhance the region's human, economic, environmental, and social development. We empower our students to achieve their highest aspirations. We develop leaders who create opportunities and transform lives. Together with our partners, we provide our diverse students and communities with equitable access to the educational resources, experiences, and life-long opportunities to meet and exceed their goals. In part, the Peralta Community College District provides accessible, high quality, educational programs and services to meet the following needs of our multi-cultural communities:

- *Articulation agreements with a broad array of highly respected Universities;*
- *Achievement of Associate Degrees of Arts and Science, and certificates of achievement;*
- *Acquisition of career-technical skills that are compatible with industry demand;*
- *Promotion of economic development and job growth;*
- *Foundational basic skills and continuing education;*
- *Lifelong learning, life skills, civic engagement, and cultural enrichment;*
- *Early college programs for community high school students;*
- *Supportive, satisfying, safe and functional work environment for faculty and staff; and*
- *Preparation for an environmentally sustainable future.*

Findings and Evidence

The District's mission statement, contained in BP 1200, identifies the mission of the District as empowering student achievement, developing leaders, and providing students with equitable access to achieve or exceed their goals. Board policies related to academic affairs and student services are developed and reviewed by the Board; the Chancellor leads the development and review of the associated administrative regulations. (IV.B.1.b)

Conclusion

The District meets this Standard.

B: INSTITUTIONAL EFFECTIVENESS

General Observations

The Peralta Community College District developed Strategic Goals and Institutional Objectives for the Academic Year 2014-2015 which will be evaluated in summer 2015.

Strategic Goals

- Advance Student Access, Equity, and Success
- Engage and Leverage Partners
- Build Programs of Distinction
- Strengthen Accountability, Innovation and Collaboration
- Develop and Manage Resources to Advance Our Mission

Findings and Evidence

The District's strategic focus for the 2014-2015 year is on student success in the core educational areas of basic skills/ESOL (English for speakers of other languages), transfer, and CTE (career technical education) by encouraging accountability, outcomes assessment, innovation and collaboration while spending within an established budget.

Conclusion

The District meets this Standard.

STANDARD II: STUDENT LEARNING PROGRAMS AND SERVICES

General Observations

Colleges within the Peralta Community College District maintain communication regarding instructional and services goals and efforts. The individual colleges maintain critical independence in the development of course offerings and a schedule of services unique to the needs of community members. The PCCD provides the colleges a breadth of organizational and infrastructure support meant to simplify and ease transfer with the PCCD, coordinates program outcomes, and ensures a measure of uniformity of skills developed in career and technical education programs.

Findings and Evidence

The PCCD has promoted, through its strategic plan: advancement of student access, equity and success; engagement and leveraging of partnerships with K-12 institutions, community-based organizations, four-year institutions, local government, and regional industries and businesses; building programs of distinction including development of a district-wide first year experience/student success program and an innovative student success program at each college; strengthening accountability, innovation and collaboration; and development and management of resources. The PCCD is committed to increasing the investment in materials, equipment, and teaching and learning resources to enhance student learning outcomes.

Conclusion

The District does not meet the Standard. All of the Peralta colleges have not fully implemented ongoing assessment of course and program learning outcomes, use of those outcomes for improvement, and publication of outcomes to prospective students.

STANDARD III: RESOURCES

A: HUMAN RESOURCES

General Observations

The College has developed both Board and Administrative Policies to provide a robust hiring process. In addition, the College has worked to improve its performance evaluation process. The Peralta Community College District (PCCD), in conjunction with the PFT, has created the *Faculty Evaluations Policies & Procedures Handbook for All Faculty (revised, July 2014)* which clearly delineates the cycle and process of evaluation for part-time, long term substitute, tenured and non-tenured faculty. In addition, procedures are also provided through the bargaining agreements, *Agreement Between The Peralta Community College District and International Union of Operating Engineers – Local 39 (July 1, 2012 – June 30, 2015)* and *2012 – 2015 Successor Agreement Working Document The Peralta Community College District and Service Local 1021 Permanent Employees*. Management performance evaluation procedures are presented in *AP7102*. In place are evaluation tools for students enrolled in both traditional and online courses.

Planning for human resources has been integrated with the *District Integrated Educational and Facilities Master Plan* and the *District Planning and Budget Process*. Strategic planning occurs through the Planning and Budget Council which is informed by the Technology, Education, and Facilities Committees. The genesis of this planning process is the *Comprehensive Program Review* (completed every three years) followed by the *Area Plan Update* completed yearly by all programs and departments within the College. The *Comprehensive Program Review* provides long-range planning while the *Area Plan Update (APU)* addresses issues for the upcoming academic year.

Finding and Evidence

Managers are evaluated annually with the process coordinated by the Office of Human Resources. The purpose of the Management Performance Evaluation is to demonstrate a commitment to organizational excellence and align performance with the District-wide strategic goals and institutional objectives (*AP7126, Management Performance Evaluations*). Formal evaluations standards, procedures, and processes are negotiated between the District Office of Human Resources and the Peralta Federation of Teachers. The *PCCD Faculty Evaluations Policies & Procedures Handbook for All Faculty (revised, July 2014)* and the *PFT Side Letter*, however, make no reference to Student Learning Outcomes. Faculty members are encouraged to file additional information on assessment of student learning outcomes as a part of their evaluation portfolio.

Conclusion

The District does not meet this Standard.

Commendations

District Commendation 2. The team commends the district and the individual colleges for their efforts to ensure that hiring practices cultivate a workforce that is as diverse as the student population. The district and the colleges within it have successfully maintained college personnel that mirror the student demographics, which enrich the college environment and promote equity (III.A.4.a-b).

Recommendations

District Recommendation 5. In order to meet the Standards, the team recommends that the district ensure retention of key leadership positions and that adequate staffing capacity is available to address the demands of three critical areas reflected in the accreditation standards: institutional effectiveness and leadership, institutional research, and financial accountability and management (III.A.2, III.A.6).

B: Physical Resources

The main documents the district uses to support and address its facility needs are the Five-Year Construction Plan and the Scheduled Maintenance Five-Year Plan. Attention to safety is demonstrated through activities that include regular meetings of the district Safety Committee and the district-wide Facilities Committee and safety presentations and forums on campus. The district Office of Risk Management periodically offers trainings, safety workshops, and a reporting process for accidents or injuries (III.B.1.).

The evaluation team found a 2014 district total cost of ownership program document that has been produced, but the evaluation team recommends implementing total cost of ownership principles for new construction and equipment, while implementing a comprehensive preventive maintenance program to ensure the efficiency and effectiveness of current physical facilities and mechanical equipment (III.B.2.a).

Conclusion

The District does not meet this Standard.

Recommendations

District Recommendation 3. In order to meet the Standards, the team recommends that District General Services (DGS) work with college personnel to implement a plan to address total cost of ownership for new facilities and equipment, including undertaking critical deferred maintenance and preventive maintenance needs at the college in order to assure safe and sufficient physical resources for students, faculty and staff (III.B.1, III.B.1.a, III.B.2.a).

C: Technology Resources

General Observations

Team review of the Educational Mater Plan, Information Technology Strategy, the district's Planning and Budgeting Integration Model (PBIM), the five-year Facilities/Construction Plan, minutes of the District Technology Committee, and the Planning and Budgeting Council, and results from interviews with the District Technology Committee members and the Technology Planning Committee confirm technology planning is not integrated with institutional planning. The technology plan is in need up an update, which is in process, and specific projects need to be completed (such as the wireless project) in support of student learning. Following program review and analysis of technology requests by the Technology Planning Committee, these requests are prioritized with a standard rubric which integrates technology priorities with the request in other resource areas. Available funding, or lack thereof, then determines the items for purchase/implementation (III.C.2).

Findings and Evidence

The major modules of the enterprise software are implemented and functioning. The last of the modules is Financial Aid. There are some issues with the implementation but a resolution team is working to correct the inefficiencies.

D. FINANCIAL RESOURCES

General Observations

A great deal of progress has been made on resolving the initial 53 audit findings but there are 11 in the 2014 year of which 4 are repeats with 2 additional ones that look suspiciously like repeats. The District audit shows qualified opinions on both federal and state funding. The District developed a matrix to track responsibility and progress on the various findings. The new Financial Aid Director at the District level understands the importance of these findings and is working with a resolution team to correct these finds as quickly as possible (IID.2.b).

The District Visiting Team interviewed six financial aid staff representing the Peralta District. The objective of the meeting was to review the Financial Aid findings from the District's Annual Financial Audit Report for 2013-2014.

Findings and Evidence

The team found that the District has accomplished a significant amount of work to address the findings and recommendations. The Interim Financial Aid Director for the District was very competent and understands the severity of the current findings. However, there is still a substantial amount of work to be done with regards to the full implementation of the new Enterprise Resources Planning System (ERP) PeopleSoft.

In addition, Peralta Community College District has revised the Financial Aid Policies and Procedures Manual. The Policy and Procedures manual includes the new processes adhering to the timelines and calculations of all the findings.

Appropriate financial information is presented in committee meetings as well as at the appropriate board meetings. The processes in place over grants, auxiliary activities, fund raising are properly approved and are part of the budget cycle and annual audit. All are used for intended purposes. There are sufficient board policies in place to provide the framework. Internal controls are assessed as part of the audit and the District employs an internal auditor to further ensure the integrity of the controls (IIID.2.c: IIID.2.e.).

While a great deal of progress has been made on the planning for the OPEB liability it continues to be a focus in the audit findings. There are two liabilities: the UAAL and the bond repayment. They have negotiated away the increase in future benefits which has resulted in a reduction of the UAAL from \$174 million to \$154 million and has added a set aside for the OPEB liability. The Retirement Board has done a good job in restructuring the debt as well as realigning the investment policy and increasing performance. The fund has a balance of \$218 million. Because of the positive return on invested bond proceeds, the UAAL is actually fully funded and would show as such in the actuarial analysis if the funds were deposited into an irrevocable trust. There are plans to do so but nothing is formalized. The passage of a parcel tax is assisting in making sure the core academic programs continue and has assisted the college in meeting its educational goals but it is not a permanent increase. In addition two capital bonds were passed to improve the facilities Measure E is complete and Measure A is continuing. This is a District-level concern (IIID.1.c:IIID.2.d).

The Board Policies are in place and up to date with appropriate administrative procedures to ensure sound financial practices and financial stability (IIID.3).

The past five years, the state was over burdened with deferred payments to the colleges. Since a TRANS was not needed in the last fiscal year, the steps necessary to ensure sufficient cash flow are in place. The condition of the state budget has aided this outcome as have good planning over the controllable liabilities (IIID.3.a:IIID.3.f).

There is sufficient oversight of the finances including grants and externally funded programs and auxiliary services. The default rate for student loans is at 18.7% well below the 30% rate set by the Department of Education. However, Financial Aid received a qualified opinion. The audit did produce a finding on the NSLDS which has been identified as a technical issue not a compliance or internal control deficiency. The addition of an internal auditor will assist with effective oversight. Financial Aid, Admissions and Records, and IT have formed a resolution team and have determines the causes of the inaccurate data that was sighted in the 2014 audit and in The Department of Education Program Review. The team is working to correct the deficiencies (IIID.3.b:IIID.3.f).

Significant progress has been made on the OPEB liability. The method that the District chose to alleviate the OPEB liability was creative in its investment strategy and the tranches and CARS

might have been fine except for the economic downturn. The investments did not keep pace with the debt service and so with balloon type payments and variable interest payments on the horizon the District did several refinancing and three SWAP agreements. The debt repayment appears to be manageable; however, the colleges are still having to provide additional funds to cover the OPEB Liability as well as debt repayment. The Retirement Board, made up of three Trustees and two District employees, adjusted the investments and the Revocable Trust has recovered and now has a market value of \$218 million. The pay-as-you-go amount is approximate \$10.8 M and has been determined by an actuary. The study is done every two years and in March 2015 a draft report was issued from TotalComp outlining all of the required calculations to comply with accounting standards (IIID.3.c: IIID.3.d).

The Planning and Budgeting Council (PBC) is a District function. The PBC does review its practices on a yearly basis and instituted a new funding model. This is a revenue based funding model and is consistent with the SB361 model although it is not a mirror of the model. Since this is a new process it should be regularly evaluated for appropriateness of the application for each college. The current configuration appears to hinder growth. Creating barriers to success in meeting college targets should be assessed and the model revised as needed. This is a shared responsibility (IIID.1.a: IIID.1.b:IIID.3.h).

The District has made great strides in advancing the fiscal planning and budgeting processes as well as reducing the number of audit findings. The colleges and the District are working to resolve the issues related to the Financial Audit finding and the Department of Education Program Review. Since the Budget Allocation Model is a new format, continuous review and analysis should be done to ensure equitable distribution of resources. The District is working with the IT department in conjunction with the four colleges to automate PeopleSoft.

The revised Peralta District Financial Aid Policies and Procedures Manual includes procedures to transmit payments for Common Origination and Disbursement report, a return of Title IV section, and the Direct Loan and Pell Reconciliation process to address Audit Findings.

Also to address audit findings, the District has confirmed receipts from the National Student Clearinghouse showing they have submitted enrollment files for each of the colleges. In addition, the District workgroup have been meeting and taking minutes with regards to collaborating and making progress to automate the PeopleSoft system to meet the federal requirements of enrollment reporting.

The District appropriately adheres to GASB 45 guidelines relative to its other postemployment benefits (OPEB) obligation and liabilities. Steps have been taken over the last few years to address the issues and concerns raised by the ACCJC about the long-term sustainability of the district's OPEB program. By restructuring the debt service in 2011 and the implementation of the OPEB charge, savings were identified as well as a dedicated revenue stream that will fund the actuarial accrued liability. With this being said, an audit finding was delivered in the district's 2014 external financial audit that found a material weakness (audit finding 2014-001) related to the lack of an established vehicle from which payments can be made to offset the district's future OPEB obligations. The external financial auditors recommended "long-term planning for the continued financial stability of the district should continue to include attention to

obligations that will be coming due in the future, such as the OPEB and the annual line of credit repayments”. In 2012, the district renegotiated collective bargaining agreements related to health and welfare benefits, controlling costs and saving the district approximately \$500,000 annually. Accumulated unpaid vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year end that have not yet been paid with expendable available financial resources. (III.D.3.c)

The 2013 and 2014 external audit report and associated Corrective Action Matrix outline the steps the District has taken or will take to remedy the weaknesses or deficiencies uncovered by the external audit team. The 2013 audit finding for failure to report all student loan disbursements to the Direct Loan Servicing System via the Common Origination and Disbursement within 30 days of disbursement (audit finding 2013-008) was not remedied and was a repeat finding in the 2014 external audit report (audit finding 2014-004). The 2013 audit finding related to residency determination for credit courses (audit finding 2013-010) was also not remediated and was a finding again in the 2014 financial audit report (audit finding 2014-009) (III.D.2.b.).

Conclusion

The District does not meet this Standard.

Recommendations

District Recommendation 1. In order to meet the Standard, the team recommends that the District follow the 2014 audit recommendations and develop an action plan to fund its Other Post-Employment Benefits (OPEB) liabilities, including the associated debt service (III.D.1.c, III.D.3.c, III.D.1.c).

District Recommendation 2. In order to meet the Standard, the team recommends that the District resolve comprehensively and in a timely manner the ongoing deficiencies identified in the 2013 and 2014 external audit findings (III.D.2.b, III.D.1.h).

STANDARD IV: LEADERSHIP AND GOVERNANCE

A: DECISION-MAKING ROLES AND PROCESSES

General Observations

Both the Peralta Community College District and the four colleges expressed an interest in improving the College, especially as it relates to previous leadership and governance issues. Stakeholders have made substantial progress toward improving planning. The implementation of integrated planning committees and the Budget Allocation Model (BAM) have helped to make some significant strides in this direction. Since the Special Visit Report of 2010, efforts have been made toward participatory governance that is inclusive of all stakeholders as well as the clarification of roles and responsibilities as it relates to the decision-making process. Specifically, the governance structure of the Planning and Budgeting Council as a clearinghouse for decisions requiring funding, which come directly from the District Educational Committee, District Technology Committee, and the District Facilities Committee, is the primary vehicle for both collaborative governance and integrated decision-making.

Findings and Evidence

The District and colleges are engaging in shared decision-making using the structures that incorporate a defined philosophy and integrated planning, despite the fact that these structures have not been documented.

The Standards on governance and decision-making indicate that the structures supporting these activities be “regularly evaluated.” While evaluation efforts have been conducted through survey results, there is little evidence that these structures have been rigorously evaluated. The team interviews and individual college reports indicated some levels of concern regarding the efficacy of the Budget Allocation Model (BAM). In order for the BAM to be effective, the college and District stakeholders will need to find ways to evaluate the strengths and weaknesses of the model (Standard IV.A.5). Similarly, the Peralta Community College District Function Map has helped to more clearly define the roles and responsibilities of the District and the college, there is no evidence that these functions have been assessed or evaluated. Finally, the Planning and Budget Council and its contributing District committees have implemented surveys to assess effectiveness, and although the groups engage in an annual summit, there is little evidence that these surveys have resulted in robust evaluation or changes aimed at improvement, despite the concerns articulated in the surveys or those expressed by stakeholders about ways that the processes sometimes fail.

The movement toward the use of shared governance structures demonstrates the District’s commitment to the intent of Standard IV.A. Various stakeholders understand that they have a role in the participatory governance structure, and the processes and practices support shared decision-making. In order to fully meet the Standard, however, the evaluation of these structures needs to be incorporated into the frameworks described in this section. Such evaluation will begin to address concerns expressed regarding ineffectiveness of these processes (IV.B.1.d, IV.B.1.f, IV.B.1.j).

Conclusion

The District meets this Standard.

B: BOARD AND ADMINISTRATIVE ORGANIZATION

General Observations

The governing board has bylaws and policies and it adheres to these protocols to assure that it acts with integrity and in an ethical manner. The policies also promote the improvement of student learning programs and services. The governing board follows the Community College League of California's Board Governance Education Program. The board also engages in orientation for new members as well as in its own professional development. A number of special Board workshops were convened, aimed at building an exceptional team, environmental scanning, and strategic planning. There is also a board policy for self-evaluation; it is conducted annually. The criteria for the board's self-evaluation are based on the accreditation standards and the district's strategic goals. A rating scale with the resulting average rating for each criterion are calculated and provided for consideration.

Board Policy 2200, Board Duties and Responsibilities, defines the responsibilities of the governing board, which include representing the public interest; establishing policies that define the institutional mission and set prudent, ethical, and legal standards; assuring fiscal health and responsibility; monitoring institutional performance and educational quality; advocating for and protecting the District; delegating power and authority to the chancellor; hiring and evaluating the chancellor; respecting the authority of the chancellor; and delegating authority to the chancellor to issue regulations and directives. Several board policies are central to these responsibilities: BP 2431, Chancellor Selection; BP 2430, Delegation of Authority to the Chancellor; and BP 2435, Evaluation of the Chancellor. In interviews at the District and College, the team found that members of the governing board have engaged in activities that go beyond a policy making role (IV.B.1).

The governing board is an independent policy-making body. Evidence confirms that meetings are held at times and places accessible to the general public and that public comment is invited, in keeping with BP 2345, Public Participation at Board Meetings. The board's Code of Ethics and Standards of Practice are contained in BP 2715 and direct the board to act as a whole and to speak on behalf of the district, not as individuals. Board members file annual conflict of interest reports to the state and district (IV.B.1.a).

As part of its annual evaluation in December, the board reviews its performance in light of its code of ethics and standards of procedure. Through interviews, the team heard of recent Board activities that were inconsistent with board policy on the delegation of authority. The District adopted the format for policies and procedures of the Community College League of California (CCLC) in 2011, and all policies and procedures were reapproved at that time. Since then, many policies and procedures have been reviewed and further updated; no policies or procedures are older than 2011. However, the team did not locate a schedule for the ongoing, regular review of board policies and administrative regulations (IV.B.1.e).

The governing board selects the chancellor of the District, as defined in BP 2431, Chancellor Selection. The current chancellor was selected in July 2012 and has announced he will retire in June 2015. The role and responsibilities of the chancellor are set forth in BP 2430, Delegation of Authority to the Chancellor. After receiving a recommendation from the commission about micromanaging the chancellor, the board has delegated responsibility for district administration to the chancellor. However, in interviews at the District and College, the team learned of more recent activities that indicate the board has not fully delegated responsibility to the chancellor. The team recommends that the Board delegate full responsibility and authority to the chancellor to implement and administer board policy without board interference (IV.B.1.j).

Findings and Evidence

The board delegates the authority to the chancellor to implement its policies. Through the processes and structures established and/or approved by the chancellor, the college participates in activities and decisions related to technology, facilities, education, planning and budgeting (i.e. committees). There is a board policy which informs the process and methodology used for the evaluation of the chancellor. The chancellor's goals are identified and the metrics for evaluations are defined. The board reviews the evaluation with the chancellor in a closed session. However, college leaders are not aware of opportunities to provide input into the evaluation of the board or the chancellor. The board has adopted a policy for hiring the college presidents. College employees indicated that they were able to provide input into the evaluation of the college presidents. The president's evaluation or the form used for the evaluation could not be located and provided to the team. Additionally, the team could not ascertain when the evaluation was done.

The board receives regular reports on accreditation and topics related to student learning programs and services from the Chancellor and the college presidents. College employees stated their belief that the Board was engaged with student success but felt that the Board could be more proactive (IV.B.1.a -j).

Administrative Procedure 2430, Delegation of Authority to the Chancellor's Staff, delineates the delegation of authority from the chancellor to the presidents and the vice chancellors. The Chancellor's Cabinet meets weekly and consists of the college presidents, vice chancellors, associate vice chancellors, general counsel, and the executive director of public information. The cabinet provides coordination and ongoing support for the effective operation of the colleges. The ISE includes a Function Map for the District and colleges that specifies each of the accreditation standards as a primary, secondary, or shared function for the District and for the colleges. Through interviews, the team found that the District did not adhere consistently to the delineation of responsibilities. The team recommends that the District clearly delineate and communicate the operational responsibilities and functions of the District from those of the colleges and consistently adhere to this delineation in practice (IV.B.3, IV.B.3.a).

The District provides services to support the colleges in five areas: educational services, finance, general services, human resources, and information technology. Each of the four participatory governance committees at the district level is co-chaired by a District administrator and a College representative. This committee structure maintains a connection between district services and the colleges. Through interviews, the team heard concerns about the level of

funding for the college to maintain quality programs and services particularly as they relate to deferred maintenance that impacts safety and the student learning environment. The most recent review of the Budget Allocation Model (BAM) was initiated in 2013-14 and resulted in the revisions in December 2014. However, the College has not received its full base allocation and as such has a structural deficit since 2012-13. The team recommends that the District evaluate the effectiveness of the services it provides to support the missions and operations of the colleges in order to assure adequacy and quality (IV.B.3.b-c).

The chancellor has overall responsibility for the District's budget and delegates management of the budget to the chief financial officer. The president is responsible for operating the College within its budget. The Board has two policies, BP 6200, Budget Preparation, and BP 6300, Fiscal Management and Accounting, and two administrative procedures, AP 6200, Budget Management, and AP 6300, General Accounting, which set controls for the fiscal management of the District and colleges. The District engages an annual audit with findings presented to the District Planning and Budgeting Committee, the Chancellor's Cabinet, and the governing board. Except for the OPEB liability and associated debt services, the district controls its expenditures (IV.B.3.d).

Administrative Procedure 2430, Delegation of Authority to the Chancellors Staff, sets forth the responsibilities of the College president, which include the compliance of college personnel with board policies and administrative procedures and leadership of the campus governance in an annual review of board policies, administrative procedures, and other operating procedures. The chancellor meets weekly with the Chancellor's Cabinet, which includes the presidents, to discuss District and college concerns, institutional planning and resource allocation, operations, and initiatives (IV.B.3.e).

The District, through the chancellor, exercises its defined role as liaison between the colleges and the governing board. The chancellor submits information on behalf of the colleges to the board. The district academic senate president provides a report at each board meeting. Through the two student trustees and four student government presidents, the board receives information about student concerns and activities. Information about the board is posted on the District website and is available to all internal and external constituents of the District and College (IV.B.3.f).

In 2013, a survey was done to measure satisfaction with District services. Almost 300 employees submitted responses, and the results were posted on a website. The four district level participatory governance committees gather for a summit at the beginning of each year to review topics and issues that need to be addressed by the District. Each of the committees then sets its annual goals, following the District's strategic planning goals and objectives. At the end of the year, the committees participate in a survey of their members, with the results provided at the fall semester summit. The 2014 review of the committees resulted in improvements: committee composition, enhanced definitions of roles and processes, additional expectations for accountability, and alignment with District strategic goals and objectives. The review, however, does not include the documentation and evaluation of the processes that integrate the human, facilities, and fiscal planning that allocates resources to support the College priorities. A function map was developed for the ISE to delineate the responsibilities of the District and

colleges. The team did not find evidence of an evaluation of the effectiveness of the delineation of District roles and responsibilities as they support the College. Through interviews at the College, the team heard concerns about the District not consistently adhering to the delineation of responsibilities. The team recommends that the district regularly evaluate the effectiveness of the delineation of District roles and responsibilities to assure their effectiveness in supporting the colleges (IV.B.3.g).

Conclusion

The District does not meet this Standard.

Recommendations

District Recommendation 4. In order to meet the Standards, the District should clearly identify the structures, roles, responsibilities and document the processes used to integrate human, facilities, technology planning, and fiscal planning in support of student learning and achievement and regularly evaluate the process in order to fairly allocate resources to support the planning priorities (III.A.6, III.B.2, III.C.2, III.D.4, IV.B.3.g).

District Recommendation 6. In order to meet the Standard, the team recommends that the district clearly delineate and communicate the operational responsibilities and functions of the district from those of the colleges and consistently adheres to this delineation in practice; and regularly assesses and evaluates district role delineation and governance and decision-making structures and processes to assure their integrity and effectiveness in assisting the colleges in meeting educational goals (IV.B.3).

District Recommendation 7. In order to meet the Standards, the team recommends the Governing Board adhere to its appropriate role. The Board must allow the chancellor to take full responsibility and authority for the areas assigned to district oversight (IV.B.1, IV.B.1a, IV.B.1.e, IV.B.1.j).

District Recommendation 8. In order to meet the Standards, the team recommends that the District systematically evaluate the equitable distribution of resources and the sufficiency and effectiveness of district-provided services in supporting effective operations of the colleges (IV.B.3.b, IV.B.3.c, III.D.1.a, III.D.1.b, III.D.1.h).

B.3 Multi-College Systems

General Observations

The District provides services to support the colleges in five areas: educational services, finance, general services, human resources, and information technology. Each of the four participatory governance committees at the district level is co-chaired by a District administrator and a College representative. This committee structure maintains a connection between district

services and the colleges. Through interviews, the team heard concerns about the level of funding for the college to maintain quality programs and services particularly as they relate to deferred maintenance that impacts safety and the student learning environment. The most recent review of the Budget Allocation Model (BAM) was initiated in 2013-14 and resulted in the revisions in December 2014. However, the College has not received its full base allocation and as such has a structural deficit since 2012-13. The team recommends that the District evaluate the effectiveness of the services it provides to support the missions and operations of the colleges in order to assure adequacy and quality (IV.B.3.b-c).

In order for a multi-college district to be effective, communication is critical, which is also reflected in the evaluation piece. The primacy of the District appears to be a concern. The communication between colleges and the district does not depend on structural dissemination (IV.B.1.d, IV.B.1.f, IV.B.1.j).

Findings and Evidence

The Board continues to be perceived as being “micro-involved” in operational issues and decision-making, despite efforts to correct this through additional training and support.

The District must serve the colleges as liaison between the colleges and the Governing Board while assuring that the college presidents can operate their institutions effectively. Meanwhile, the Board must not interfere with the operations of the four colleges of the District and allow the Chancellor to take full responsibility and authority for the areas assigned to District oversight (IV.B.3.a-g).

Conclusion

The District meets this Standard.