

# **Peralta Community College District**

## **Multi-Year Recovery Plan**



**September 30, 2010**

**Presented to:**

**Peralta's Strategic Management Team (SMT) (September 16, 2010)**

**Peralta Federation of Teachers (September 16, 2010)**

**Peralta Board of Trustees Audit and Finance Sub-Committee (September 16, 2010)**

**Peralta District-wide Budget Workshop (September 20, 2010)**

**Peralta's District Academic Senate (September 21, 2010)**

**Peralta Planning and Budgeting Council (September 24, 2010)**

**Peralta District Classified Senate (September 24, 2010)**

**Reviewed and Accepted by:**

**The Peralta Community College Board of Trustees (September 28, 2010)**

## Table of Contents

<b>I.</b>	<b>Executive Summary .....</b>	<b>1</b>
<b>II.</b>	<b>District and College Overview.....</b>	<b>2</b>
<b>III.</b>	<b>Administrative Stability.....</b>	<b>13</b>
<b>IV.</b>	<b>Conditions for Fiscal and Academic Stability.....</b>	<b>14</b>
<b>V.</b>	<b>Corrective Action Matrix.....</b>	<b>15</b>
<b>VI.</b>	<b>FCMAT’s Management Review.....</b>	<b>16</b>
<b>VII.</b>	<b>Accreditation.....</b>	<b>17</b>
<b>VIII.</b>	<b>Multi-Year Fiscal Projections.....</b>	<b>20</b>
<b>IX.</b>	<b>Grand Jury.....</b>	<b>25</b>
<b>X.</b>	<b>Appendices</b>	
	• <b>Corrective Action Plan</b>	
	• <b>2010 – 2011 Adopted Budget</b>	
	• <b>2010-2011 PCCD Organizational Chart</b>	
	• <b>September 15, 2010 ACCJC Follow Up Report</b>	
	• <b>Response to VTD Audit Report</b>	
	• <b>Response to the Grand Jury Report</b>	

# **I. EXECUTIVE SUMMARY**

The Peralta Community College District's (PCCD) Multi-Year Recovery Plan (Recovery Plan) was adopted by the PCCD Board of Trustees on September 28, 2010. The Chancellor's Cabinet (Strategic Management Team), the Peralta Federation of Teachers (PFT) and the Board Audit and Finance Sub-Committee reviewed and provided input on September 16, 2010. The Recovery Plan was presented to the District Planning and Budgeting Council for their input on September 24, 2010. The District Academic Senate had a presentation of the plan on September 21, 2010. The Recovery Plan will be provided to the State Chancellor's Office on or before September 30, 2010 and will be an important part of the October 15<sup>th</sup> Accrediting Commission for Community and Junior Colleges (ACCJC) Follow-Up Report. This Recovery Plan describes the District's commitment, resolve, and strategy for recovery. The Recovery Plan will continue to evolve and help guide the PCCD to recovery and sustainability. It reflects the PCCD's historical perspective, current status, recovery elements, and the key assumptions used in the development of the Recovery Plan. The Recovery Plan will require continuous monitoring, review, and updating in order for it to be viable and accurate. The PCCD welcomes an ongoing and open dialogue with the members of the Peralta educational community regarding the Recovery Plan's viability.

## **II. District and College Overview**

The Peralta Community College District, one of 72 districts in the State of California, 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. It consists of four colleges—College of Alameda, Laney College, Merritt College, and Berkeley City College (formerly Vista Community College)—and one community education center in Oakland’s Fruitvale District operated by Merritt College.

Several institutions set the stage for the birth of the PCCD, including The Part Time School, Central Trade, later renamed the Joseph C. Laney Trade and Technical Institute, and Merritt School of Business. In July 1953, the Oakland Board of Education created Oakland Junior College and developed Laney and Merritt as separate campuses of the 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 1963, the residents of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont voted to join with Oakland to establish a separate junior college district. On July 1, 1964, the Peralta Community College District was officially formed. Each of the existing campuses became a comprehensive college, offering vocational, occupational, and liberal arts courses. In 1965, the voters of the new district approved a \$47 million bond issue for construction of several new campuses. In June of 1970, the College of Alameda opened on a 2.5-acre site near the Naval Air Station in the City of Alameda. Laney College, located next to the Oakland Museum and the BART terminal, completed its modern new buildings in September of 1970. In 1971, Merritt College moved from its Grove Street location to the East Oakland hills near Skyline Boulevard off Redwood Road. In 1974, the Peralta College for Nontraditional Study was established, later becoming Vista Community College, and now known as Berkeley City College.

The four Peralta Colleges serve a population of approximately 31,847 students. About 76% of known ethnicities are minorities. Approximately 31% of students attend full time and 69% part time. Half of the students are freshmen, with less than 30 units.

### **COLLEGE OF ALAMEDA**

The College of Alameda is a comprehensive, public, two-year community college located in the City of Alameda. It has a main campus located at 555 Ralph Appenzato Memorial Parkway (Atlantic Avenue) and a satellite campus near the Oakland International Airport. The main campus houses eight bi-level permanent buildings and approximately twenty-two portable buildings for approximately 290,600 sq. ft. of building area on 57.4 acres. The College of Alameda’s Satellite Campus Aviation Maintenance Training Facility is located at 970 Harbor Bay Parkway at the North Field of the Oakland Airport. The Aviation Facility houses two permanent buildings and a storage-shed, for a total of 28,400 sq. ft. of land.

Classes are scheduled during the day, evening, and on Saturdays and Sundays. The college offers A.A. and A.S. degrees in forty areas, twelve of which are traditional, occupational programs. The comprehensive general education/transfer program provides courses for students

transferring to the University of California and California State University systems and to private colleges and universities.

In the Fall of 2009, College of Alameda enrolled 8,019 students: 54% females and 42% male; 53% of the students at the college are under the age of 25. The following underrepresented ethnic groups comprise 64% of the student population: Asians, 28%; Filipino, 3%; Hispanic, 10.4%; African American, 22%; and Native American, 0.6%. 16.7% of students selected “undecided on goal non-applicable” when asked about their educational goals. Fifty-nine percent (59%) of the students enroll in day courses and the remaining 41% are part of the evening program.

## **LANEY COLLEGE**

Laney College is a major educational resource essential to developing the future workforce to support the growth, economic prosperity and health of the greater East Bay. Laney remains accessible to its local communities to help stimulate innovations, equal access to higher education, career training, and lifelong learning. While Laney remains formidable as a community center, providing a diverse array of cultural programs and activities, it continues to provide a holistic approach to nurturing individuals to become active civic leaders and contributors to society. Over the last five years, Laney has been recognized as an important and significant asset to PCCD that brings in an average of 43% of PCCD revenue.

Approximately half of Laney’s instructional space is devoted to laboratories and shops that serve vocational programs. Most administrative, student personnel, counseling, and faculty offices are located in the central office tower. Other facilities include a Student Center building, gymnasium, swimming pool, library, childcare center, forum, and theater. Student Services are scattered around campus, primarily in the Tower and “A” buildings. The campus features 30 acres of open space, which include an urban park and athletic facilities for baseball, football, track, and tennis.

Each academic year, Laney College supports more than 15,000 students from diverse communities throughout the six service areas of the Peralta Community College District within the County of Alameda and beyond with heavier concentrations of residents from the City of Oakland enrolling in over 70 educational certificate and degree programs. 52% percent of these students are female, 43% are male, and 5% are unknown. The average age is 30 and 45% of the students are under the age of 25.

Ethnically, Laney College is diverse: Asians represented the largest group, 27%; African-Americans are the second largest group 25%. Other ethnic groups include whites (11%), Latinos/Hispanics (12%), and Filipinos (2%). New students and new transferring students make up 32% of our total student population, and 3% are concurrent high school students. Approximately 35% of Laney students are vocational. 52% of all students enroll in fewer than 6 units per semester

## **MERRITT COLLEGE**

Merritt College is a comprehensive, public community college located on a 125-acre site in the hills of East Oakland. Merritt also offers community-based classes at area high schools, the Fruitvale Education Center, and other locations in the community.

Merritt College promotes and enhances the quality of life in the urban area it serves through vocational and technical programs, courses appropriate for transfer, career and continuing education, and basic skills instruction. Merritt also provides comprehensive student services.

The college is committed to meeting the educational needs of the diverse student population it serves through excellence in instruction. The college provides opportunities for intellectual, social, emotional, cultural and physical development of the student. Educational opportunities are offered to all who can profit, regardless of age, sex, race, sexual identity, socioeconomic background or disability.

The student population is diverse in ethnicity, preparedness, age, physical ability, and educational goals. More than 75% of the student body is non-white, and the average age is 34. In Fall 2009, 85% of Merritt students attended part-time and 59% of the student body attended day classes. 2008 fall enrollment = 7609, and 2009 fall enrollment = 8313, a 9% increase.

## **BERKELEY CITY COLLEGE**

Berkeley City College (BCC) is a comprehensive community college providing classes and programs leading to associate in arts degrees, associate in science degrees, and occupational certificates. BCC serves the six cities of Berkeley, Albany, Emeryville, Oakland, Piedmont, and Alameda. The college's vocational programs include Business, American Sign Language, Business Office Technology, Computer Information Systems, Multimedia Arts, Social Service Paraprofessional, and Biotechnology. Working adults seeking to complete a degree enroll in the college's PACE program, one of the college's several liberal arts A.A. and transfer programs. BCC has several articulation agreements with local universities, and a unique relationship in which the college shares space with the University of California at Berkeley, which also provides mentors for BCC's students.

In Fall of 2006, BCC opened its new main campus facility at 2050 Center Street. Between 2007 and 2009, the college experienced a 28.7% increase in FTES, achieving half of the enrollment growth planners had predicted for BCC over a 15 year period. The campus enjoys a diverse student body, representing the urban environment of Berkeley-Oakland East Bay. The majority of students fall between the ages of 16 and 34. Fully 67% of students qualify for matriculation services, and about that percentage assess at a pre-collegiate level for either Math or English. Partnerships with service area high schools and nonprofit organizations, as well as with University of California-Berkeley and California State University-East Bay, allow BCC to provide meaningful pathways for transfer and career.

## **PERALTA COMMUNITY COLLEGE DISTRICT STATEMENT OF DISTRICT EDUCATIONAL PLANS**

The *District-wide Educational Master Plan (EMP)* is an overall framework for the evolution and development of the Peralta Community College District. Drawing on environmental scan reports, program reviews, and unit plans, the plan sets overarching directions for meeting the needs of students and the community through a coordinated approach across the four colleges and district service centers.

The *District-wide EMP* is an umbrella statement of direction for the four *College Educational Master Plans*, which provide more detailed goals and strategies that are unique to each college's needs. The *District-wide EMP* presents the common long-range planning assumptions for the colleges and describes the processes and procedures by which the four colleges will work together.

The College Master Plans and the *District-wide EMP* were developed collaboratively to create an integrated planning framework linking program review, educational planning and resource allocation. The integrated planning approach achieves one of the major goals of the *District Wide Strategic Plan* and fulfills the major district-level accreditation recommendation.

The PCCD has a strong history of collaborative planning. Starting with the major realignment of career-technical programs in the 1980's, the colleges and district-wide offices have maintained processes that bring the colleges together regularly to plan for the future. This *District-wide Education Master Plan* builds on this foundation and sets goals that are intended to strengthen PCCD's collaborative processes for charting overall educational directions.

An overview of each chapter of this District-wide Educational Master Plan can be located at the following website: <http://eperalta.org/wp/pbi/files/2010/08/District-wide-Educational-Master-Plan.pdf>.

During Fall 2009, the four Peralta Colleges served approximately 31,847 students; 76% of those with known ethnicities are minorities. Approximately 62.7% of the students are freshmen with less than 30 units completed; 41% of the students are new or new transfers; 55% of the student population is female and 40% male; 9.7% of the student population is under age 19; 35.2% are between the ages of 19 to 24 years; 15.6% between 25 and 29 years; 9.6% between 30 and 34 years; 21.8% between 35 and 54 years; 5.5% between 55 and 64 years; 2.6% 65 years or older.

## **LANEY COLLEGE EDUCATIONAL MASTER PLAN SUMMARY**

Laney College is located in the heart of downtown Oakland on the edge of a predominantly Asian community. Laney is easily accessible by both public transportation and the freeway system. Laney is a major educational resource essential to developing the future workforce to support the growth, economic prosperity and health of the greater East Bay. Laney remains accessible to its local communities to help stimulate innovations, equal access to higher education, career training, and lifelong learning. While Laney remains formidable as a community center, providing a diverse array of cultural programs and activities, it continues to provide a holistic approach to nurturing individuals to become active civic leaders and contributors to society.

The Laney College Educational Master Plan is a three to five year roadmap to actualize the Laney College mission, which states:

Laney College, located in downtown Oakland, California, is a diverse, urban community college committed to student learning. Our learner-centered college provides quality transfer and career-technical education, foundation skills and support services. These educational opportunities respond to the cultural, economic, social, and workforce needs of the greater Bay Area and increase community partnerships and global awareness. It is important to note that Laney's educational opportunities are also responding to the College's strategic directions through evidence-based decision making and continuous assessment of institutional effectiveness. The strategic directions aim to: challenge and empower all Laney students; actively engage community partners to identify and address critical needs; provide high quality educational programs and services that respond to the needs of each learner; implement effective practices in communications, management and development of all Laney professionals—faculty, classified staff and administrators; and ensure that resources are used wisely for students and community success. Through analysis of research conducted within and outside of the College, this Plan identifies educational priorities and develops goals, implementation strategies, responsible parties and timelines for those priorities. It assesses the College's current status on sustaining institutional effectiveness and develops a plan to meet the standards of the Accrediting Commission for Community and Junior Colleges (ACCJC)—the body that accredits Laney College and re-affirmed Laney's accreditation status in June, 2009. Finally, it outlines the resource priorities necessary to implement the college mission and achieve and sustain the College's strategic directions and educational priorities. An overview of each chapter of the Laney Educational Plan can be located at the following website:

<http://www.laney.edu/wp/educational-master-plan/files/2010/04/Laney-2010-Ed-Master-Plan-Final.pdf>.

## **MERRITT COLLEGE EDUCATIONAL MASTER PLAN SUMMARY**

Merritt College is located minutes from the East Bay's busiest commercial centers. A leading educational institution in the Bay Area, Merritt offers an array of transfer and career-technical programs that provide pathways to institutions of higher learning and to careers in the communities served. Merritt's more than 7,500 students benefit from a diverse and beautiful learning environment, as well as from excellent student support services and dedicated faculty and staff. Merritt College's faculty, staff and administrators exemplify the College's motto: We change lives!

The purpose of Merritt's Educational Master Plan is to present a shared educational "road map" for the College and District Service Centers for the next several years. This shared District-wide road map is comprised of the agreed-upon educational principles, goals, and integrated planning and budgeting processes that provide both a clear future direction and a set of adaptive mechanisms to ensure the plan is a living document. Merritt offers career-technical programs in Administration of Justice, Child Development, Chronic Care Assistant, Community Social Services, EMT, Environmental Studies, Landscape Horticulture and Design, Medical Assistant, Nutrition and Dietetics, Paralegal Studies, Radiologic Technology, Registered Nursing, and Real Estate. The College also provides strong general education and transfer majors in the sciences and associate degree programs such as African American Studies, Anthropology, Humanities, and Social and Behavioral Sciences.

The College Ed Plan incorporates the four strategic directions that have guided the College since 2005 and enabled focused discussions on student learning outcomes, college-wide communication, technology resources, and resource development. In turn, the strategic directions reflect the mission of Merritt College:

The mission of Merritt College is to enhance the quality of life in the communities we serve by helping students to attain knowledge, master skills, and develop the appreciation, attitudes, and values needed to succeed and participate responsibly in a democratic society. The College Plan is a framework for educational planning at the college level, as the District-wide Educational Master Plan is an overall framework for the evolution and development of the Peralta Community College District. The College Plan incorporates data and analysis gleaned from annual planning documents and from the program review process undertaken every three years. In conjunction with external and internal scans, the data and program plans provide the means to review college programs, identify educational priorities, and document resources needed for implementation.

Through its planning processes, the College has identified challenges and priorities that are documented in the Educational Master Plan. Challenges include 1) increasing access for underrepresented populations; 2) enhancing student success, particularly that of basic skills students; 3) improving the College's transfer rate; and 4) marketing the College's signature programs.

College priorities have emerged through annual planning processes, program review, and analysis of enrollment trends and other data. Recommendations made to Merritt's College Council and the District-wide Planning and Budgeting Council include the following:

- Technology upgrades, particularly the creation of smart classrooms;

- Critical facility repairs or upgrades that will improve delivery of services;
- Dedicated space for the fledgling Microscopy and Genomics programs;
- Construction of a new Center for Science and Allied Health, to replace the current facilities in the D Building which is in dire need of repair;
- Space conversion of lath house for a new design lab at the Landscape Horticulture facility;
- New Lab Preschool for the Child Development program, funded by the State;
- Creation of a facility for the Black Panther Educational Archives.

The above are a few of the projects that Merritt College faculty, staff and administrators have expressed support for through a variety of planning processes. Collaboration with District Service Centers is essential for actualization of the majority of the facility planning, and the College recognizes that many of these projects must wait for funding. The creation of this Plan memorializes the participatory processes that have resulted in delineation of College priorities. As Merritt College seeks outside funding and additional revenue streams to address its needs, the list of College priorities will serve as a guide to resource allocation.

An overview of each chapter of the Merritt Educational Plan can be located at the following website: <http://eperalta.org/wp/pbi/files/2010/08/Merritt-College.pdf>

## **COLLEGE OF ALAMEDA EDUCATIONAL MASTER PLAN SUMMARY**

As stated in the mission statement, the College of Alameda (COA) is committed to providing comprehensive and flexible programs which will enable students to transfer to four-year institutions, to earn degrees and certificates in academic and occupational fields, to prepare for the work force, to improve their basic learning skills, and to expand their general knowledge.

The College of Alameda has adopted these following goals and priorities to fulfill its mission:

Goals:

- To strive to communicate effectively and efficiently with its internal and external constituencies in order to achieve its mission.
- To improve student persistence, retention and completion rates to increase student success, particularly for educationally and economically at-risk students.
- To continuously review, improve and develop curriculum in order to meet the changing needs of our students and community.
- To improve administrative services in support of institutional effectiveness.

### **COA Institutional Action Priorities**

Action Priority I: Facilitate student learning and goal attainment by utilizing outstanding student support services, developmental education, and foundation skills.

Action Priority II: Provide exemplary teaching and learning environments/experiences to meet

students' needs through relevant curricula, innovation, partnerships, accessible formats/locations, technology, and ongoing evaluation.

Action Priority III: Develop effective communication between internal/external organizations and governance structures that strengthen and maintain professional development programs and promote outreach to businesses linked to high demand professions.

Action Priority IV: Offer accessible and responsive educational opportunities within a supportive, caring, inviting, safe and clean environment for all of the College's constituencies, by effectively planning for future needs based on educational programs and services.

Action Priority V: Utilize existing human, physical, technological, and fiscal resources efficiently and effectively while developing external resources that support priorities within the College's educational plan to include student learning outcomes and integrated strategic planning.

An overview of each chapter of the College of Alameda Educational Plan can be located at the following website: <http://eperalta.org/wp/pbi/files/2010/08/College-of-Alameda.pdf>

## **BERKELEY COLLEGE EDUCATIONAL MASTER PLAN SUMMARY**

Berkeley City College (BCC) (formerly Vista Community College) was established as a non-traditional college in Berkeley. The College moved into a new 165,000 square-foot downtown facility in August 2006. The majority of Berkeley City College's classes are at its main campus on Center Street in Berkeley and the Annex Complex on Allston Way. Classes are also offered at the University of California at Berkeley.

### ***Mission/Vision***

*The Berkeley City College Educational Master Plan 2008 shares the vision of the district-wide plan. A successful college plan will reflect the vision, values and goals of the PCCD, as represented by its strategic plan, and the mission, values and goals of the California Community College System, and will implement that plan through the effective, efficient, and equitable deployment of available resources by*

- identifying the educational, economic, social and cultural needs and resources of Berkeley City College today and in the future;
- identifying the available programs and resources of the Colleges and the District;
- providing an analysis of capacity to respond to community needs;
- articulating the operational priorities that will allow the College to best use available and planned future resources within the context of both PCCD's and the College's strategic plans.

In 2006-2007, Berkeley City College engaged in detailed program reviews, unit reviews, and CSEP analysis as part of the self-study for accreditation and in response to district requests. These reviews and summaries were used to prioritize budget, faculty and staff, and Measure A requests and form the basis for the College's own Educational Master Plan, which will connect to the McIntyre internal and external scans and will include prioritizing for the allocations of

College facilities, technology, budget and staffing. We will know if educational planning is successful if:

- our students achieve the program, course, and institutional outcomes articulated in the plan;
- student retention, success, and transfer rates grow;
- students report that their experience at BCC met expectations in responding to their academic and service needs;
- through careful analysis and knowledge of our community via external scans, advisory groups, outreach to high schools and other potential sources of students, analysis of area wide economic and jobs data, we successfully meet the demand for high quality instruction.

A major factor in Berkeley City College achievement of the educational master plan goals is the extensive strategic marketing plan developed by BCC's public information officer. The Public Information Officer (PIO)'s 2008-2009 Plan connects the five major PCCD goals, the College-wide educational outcomes, and the specific goals and outcomes of each program and discipline with a detailed marketing strategy. In the PIO's 2008-09 Plan, marketing objectives for each program and discipline are listed and described, along with strategies, tasks, individual responsible for each task, timelines, completion dates, costs, mission compatibility, and evaluation of success. The plan for each discipline is derived from market segmentation research.

The process of formulating Student Learning Outcomes and designing assessment tools to measure these outcomes is ongoing, and much work has already been completed.

**The Mission, Values, Principles and Goals of Berkeley City College** provide additional framework for the College's Educational Master Plan:

**Mission:** The mission of Berkeley City College is to promote student success, to provide our diverse community with educational opportunities, and to transform lives.

**Vision:** Berkeley City College is a premier, diverse student-centered learning community, dedicated to academic excellence, collaboration, innovation, and transformation.

**Values:** Berkeley City College declares the following values that connect to district-wide values of students and community, excellence and innovation, communication and collaboration, along with strategic actions and intentions meant to carry out the value stated:

- **A focus on academic excellence and student learning:** We value our students' varied educational and experiential backgrounds and learning styles as well as educational objectives.

*Strategic Intention:* Use teaching and learning strategies that respond to diverse needs; use scheduling and delivery methods that respond to students' needs for access, convenience and different learning styles.

- **A commitment to multiculturalism and diversity:** We value diversity, which fosters appreciation of others, depth of understanding, insight, empathy, innovation and creativity, characteristics our institution seeks in its students, faculty and staff.  
*Strategic Intention:* Provide students with an environment that supports diversity in learning and self-expression, and with a curriculum supportive of multiculturalism; hire faculty and staff that reflect the diversity of its communities and students.

- **A commitment to preparing students for citizenship in a diverse and complex changing global society:** We value the fact that students live and work in an increasingly complex society and world.  
*Strategic Intention:* Provide students with learning experiences that help them develop cultural and global perspectives and understanding.
- **A commitment to a quality and collegial workplace:** We value the high quality that characterizes everything we do.  
*Strategic Intention:* Implement review and improvement processes that constantly improve quality; develop leadership skills and respectful, close ties among all employee groups to continuously improve the institution.
- **The importance of innovation and flexibility:** We value innovation because it encourages our students to question the typical and expand their thinking in a flexible manner that allows them to understand life's dynamic potential.  
*Strategic Intention:* Celebrate the maverick attitude which challenges conventional ways of viewing life.

**Principles and Goals:** The principles and goals of BCC align with those of PCCD as a whole:

- Advance Student Access, Equity, and Success
- Engage our Community and Partners
- Build Programs of Distinction
- Create a Culture of Innovation and Collaboration
- Ensure Financial Health

BCC has several Programs of Distinction which include Multimedia Arts, Art, and American Sign Language.

The recent move at BCC toward Interdisciplinary programs such as PACE, Global Studies, Liberal Arts and Women's Studies, is also proving to make BCC distinctive. Global Studies students collaborate with ESL students in projects and activities, and the special Social Science "studies" programs have courses in Humanities, Film, Art, and History. PACE, an interdisciplinary cohort program for working adults, provided the first opportunity in Northern California for community college students with full-time jobs to find a suitable route to their educational goals.

Another distinction at BCC is the success of BCC students who take courses in the traditional disciplines of English, Art, Social Sciences and Science for transfer. BCC has the third highest transfer rate in the state of California, and the sixth highest in English transfers.

BCC plans include making a Basic Skills Program that integrates strong instruction and staff development with student services a *future program of distinction*. To accomplish this, the Digital Bridge Academy Foundation program has been added into the Spring 2009 schedule and will provide a strong base for Career Advancement Academy and BCC Foundations cohort programs. Another *future program of distinction* once the new fully equipped science labs in build-out plans are completed is bio-technology.

In terms of Resource Needs, Berkeley City College will need additional full-time faculty, additional classroom space, continuous upgrade of technology (especially in the Multimedia Arts labs), and parity in terms of district financial resource allocation.

An overview of each chapter of the Berkeley Educational Plan can be located at the following website: <http://eperalta.org/wp/pbi/files/2010/08/Berkeley-City-College.pdf>

During Fall 2009, the four Peralta Colleges served approximately 31,821 students, 78 percent of whom are minorities. Approximately 67% of the students are freshmen with less than 30 units completed (21,423 out of 31,821). Twenty-two percent (22%) of the students have an Associate Degree or higher; 42% percent of the students are new or new transfers. 58% of the student population is female and 42% percent, male. 11% of the student population is under age 19; 34% between the ages of 19 to 24 years; 15%, between 25 and 29 years; 9%, between 30 and 34 years; 22% between 35 and 54 years; 6%, between 55 and 64 years; and 2%, 65 years or older.

College of Alameda, Laney, Merritt, and Berkeley City College offer a wide variety of Liberal Arts programs. In addition to programs in Business and Computer Information Systems, each College has specific occupational areas of concentration. College of Alameda's emphasis is Transportation which includes programs in Automotive Technology, Aviation Maintenance, and Diesel Mechanics. Other programs at COA are Apparel Design and Dental Assisting. Laney's focus is Industrial & Related Technologies and Commercial Services with programs in Carpentry, Construction Management, Architectural & Engineering Technology, Welding, Machine Technology, Culinary Arts, and Cosmetology. Merritt offers a large program in the Allied Health area, Associate Degree Nursing, Licensed Vocational Nursing, Radiologic Science, Emergency Medical Technician and Dietetics. It also offers programs in Landscape Horticulture, Child Development, and Administration of Justice. Berkeley City College's (BCC), occupational programs contribute to the community's economic development through such programs as Multimedia Arts, Biotechnology, Information Technology, and Business Office Technology. Other programs include American Sign Language and Social Service Paraprofessional. College of Alameda offers courses in 43 disciplines; Laney, 61; Merritt, 49; Berkeley City College, 44. The total instructional FTEF for PCCD for Fall 2009 was 575.

A \$390 million bond measure, approved by the voters in June 2006, is going towards renovating aging classrooms, building new science and technology labs and modernizing facilities.

In November 2000, voters approved a \$153 million bond measure. The funds are being used to repair and rehabilitate College facilities and to build the Berkeley City College Campus.

A \$50 million bond measure, passed by voters in 1992, was used to support the renovation and upgrade of existing facilities and infrastructure and for the development of new programs. The voters approved another capital bond measure in November 1996 to construct a permanent campus site in northern Alameda County.

The four Peralta Colleges and the PCCD office continue to have major facility needs. The Colleges need funds to convert approximately 10 percent of existing space into larger lecture rooms, specialized labs and multimedia classrooms and to remove architectural barriers at three of the Colleges.

### **III. ADMINISTRATIVE STABILITY**

The Peralta Community College District (PCCD) has experienced several administrative changes in senior leadership during fiscal year 2009-10. These changes did interrupt services and impacted the overall leadership of the PCCD. However, the PCCD has taken aggressive and sustainable steps toward increasing the stability of the PCCD.

The PCCD's Chancellor position became open at the end of June, 2010. The Peralta Board of Trustees in May, 2010 appointed Dr. Wise Allen as Interim Chancellor for the 2010-11 fiscal year starting July 1, 2010. The Board approved the selection and hiring of Dr. Debbie Budd as Vice Chancellor for Educational Services, effective July 1, 2010. The Board also approved the appointment of Ms. Trudy Largent as Vice Chancellor of Human Resources, effective July 1, 2010.

By Winter of 2010, the PCCD's Vice Chancellor for Finance and Administration and the Associate Vice Chancellor for Finance and Administration were no longer with the PCCD. These positions became vacant and were subsequently filled with interims. In June, 2010, the position of Vice Chancellor for Finance and Administration was permanently filled. The Peralta Board of Trustees approved the hiring of Mr. Ron Gerhard as Vice Chancellor of Finance and Administration on June 22, 2010. The PCCD appointed a college site business manager as interim Assistant Vice Chancellor for Finance and Administration in February, 2010, and is in the process of advertising for the permanent position of Associate Vice Chancellor for Finance and Administration; PCCD anticipates that position being filled by December 2010.

The prior Chancellor of the Peralta Community College District with the approval of the Governing Board, hired Mr. Tom Henry as Fiscal Advisor for PCCD. Mr. Henry has assembled a team which is in the process of evaluating and testing controls in the Student, Human Resource, Payroll, and Fiscal modules of the IT system (PeopleSoft). This team included staff from each College, the district office, software consultants, and outside fiscal consultants (which included an inter-jurisdictional exchange from Los Rios, a district which successfully implemented the PeopleSoft system; a specialist from the State Chancellor's Office for California Community Colleges; an analyst from Fiscal Crisis & Management Assistance Team; and two accountants who have assisted Mr. Henry on other recovery teams).

PCCD has experienced slight declines in numbers of regular classified employees and regular faculty consistent with declining revenues. In 2009, the PCCD employed 438 individuals as part of the classified unit. Since 2009, 26.75 classified positions were eliminated or left unfilled to address an anticipated statewide revenue shortfall. In 2009, PCCD employed 324.5 full-time instructional faculty members, and 42 non-instructional faculties. In Fall 2009, faculty with partial loads totaled 1008, and in Fall 2010, it had dropped to 857 faculty with partial loads.

## **IV. CONDITIONS FOR FISCAL AND ACADEMIC STABILITY**

On September 28, 2010, the Peralta Board of Trustees approved the PCCD Multi-Year Recovery Plan. This Recovery Plan addresses the Grand Jury's 2009-10 Report received on June 29, 2010, the Annual Independent 2008-09 Financial Audit received on August 6, 2010, and the Accrediting Commission for Community and Junior Colleges (ACCJC) review letter dated June 30, 2010.

Additionally, the State Chancellor's Office has requested that PCCD submit a "Recovery Plan" by September 30, 2010. The Recovery Plan needs to include the various findings and recommendations of ACCJC, the Chancellor's Office, Independent Audit and any other pertinent reports. The adherence to these recommendations is the basis for fiscal recovery and stability. The recommendations of the various reports are tracked in the Corrective Action Matrix. The Recovery Plan is also in compliance with the principles of sound fiscal management specified in Title 5, Section 58311. This Plan also includes the conditions reflected in Title 5, Section 58310 including the regular reporting to the State Chancellor's Office and the Peralta Board of Trustees.

Unique to PCCD's Recovery Plan is the appointment of a Fiscal Adviser. This agreement was entered into December 21, 2009 and extends through June, 2011. The Fiscal Adviser is charged to provide the PCCD with advice and assistance on the response to the ACCJC review, Audit Recommendations, State Reporting and other pertinent reports. Additionally, the Peralta Governing Board entered into a study agreement with the State's Fiscal Crisis and Management Assistance Team (FCMAT). Consistent with Education Code Section 84041 (a) and (c) and Education Code Section 42127.8, the PCCD has requested FCMAT to assist PCCD with establishing and maintaining sound financial and budgetary conditions. Among other duties, FCMAT will complete a Fiscal Health Analysis of the PCCD using the California Community Colleges Sound Fiscal Management Self-Assessment Checklist.

## V. CORRECTIVE ACTION MATRIX

The Corrective Action Matrix was developed to help guide and track the Peralta Community College District's overall recovery. The various corrective action recommendation items are incorporated in the Matrix. The Corrective Action Matrix provides clarity, focus and accountability for the institution in the following categories:

- Auditing/Agency
- Corrective Action
- Responsibility/Point
- Due Date
- Status
- Institutional/Source Integration

The Corrective Action Matrix will continue to evolve as known and unknown variables change during recovery. The Matrix will be used to convey accurate and timely information to the PCCD Board of Trustees, students, faculty, staff, administration, ACCJC, State Chancellor's Office and the Peralta community. It will also be used as a self-assessment guide on the progress toward recovery. As a means of sharing information and progress with the broader educational community, the Matrix will be placed on the PCCD website. The Matrix will be essential to corrective action and progressively achieving recovery. The established due dates, coupled with institutional needs, will help drive the priority of the various recommendations. Through this Corrective Action Matrix, the PCCD will focus its resources on achieving objectives that progress toward fulfilling the recommendations and established goals.

## **VI. FCMAT's Management Review**

The PCCD invited a management review by the State's Fiscal Crisis and Management Assistance Team (FCMAT) in February, 2010. The FCMAT provides a variety of services to community college districts upon request and by assignment of oversight agencies. The PCCD has requested that the FCMAT provide for the assignment of professionals to study specific aspects of PCCD's operation based on the provisions of Education Code Section 84041. PCCD agreed to have FCMAT provide investigative review and auditing services pursuant to pertinent Education Code Sections and applicable regulations adopted by the Board of Governors.

It is anticipated the FCMAT report will be completed by January, 2011. Its recommendations will be incorporated into the Corrective Action Plan.

## VII. ACCREDITATION

Following comprehensive self-study site visits by ACCJC teams in March, 2009 at the four colleges in the Peralta Community College District (Berkeley City College, College of Alameda, Laney College, and Merritt College), the ACCJC action letter of June 30, 2009, requested that three district-level recommendations be responded to in a Follow-Up Report for March 15, 2010. The three recommendations focused on Financial Resources and Technology, Management Systems, and Board and District Administration.

In November, 2009, ACCJC requested the Peralta Community College District to provide a Special Report which responded to six specific audit findings in PCCD's 2007-2008 independent audit report from Vavrinek, Trine, Day & Co, LLP (VTD). The Special Report was filed with ACCJC on April 1, 2010.

In December 2009, the Peralta Community College District hired Mr. Tom Henry, CEO of the Education Management and Assistance Corporation (EdMAC), to assemble a team and assist PCCD in resolving financial issues which prompted the ACCJC Financial Resources and Technology recommendation and also caused ACCJC to request a Special Report regarding audit findings. Mr. Tom Henry is presently the Fiscal Advisor for the Peralta Community College District.

An ACCJC Special Visit Team visited the Peralta Community College District Office on April 19, 2010, as a follow-up to the two reports which had been filed with ACCJC. The Special Visit Team, given the financial audit issues in the April 1, 2010, Special Report, focused primarily on the finances and financial management of the Peralta Community College District; focused secondarily on the role and functions of the Governing Board in relation to the Chancellor/Chief Executive Officer and other PCCD administrators; and provided limited focus or comment regarding the response and actions taken to resolve the (2009) Management Systems recommendation and the (2009) Board and District Administration recommendation.

Following the April 19, 2010, ACCJC visit, the Peralta Community College District filed additional reports with ACCJC dated May 27, 2010 and June 10, 2010. The goal and purpose of each was to keep the Commission up-to-date on actions being taken to resolve the accreditation recommendations and to document the ongoing actions PCCD has taken to resolve them.

On June 11, 2010, during the ACCJC meeting, incoming Peralta Community College District Chancellor, Dr. Wise Allen; the PCCD's fiscal advisor, Mr. Tom Henry; and the Vice President of the Peralta Community College Governing Board, Dr. William Riley, provided further evidence regarding progress toward the ACCJC's Special Visit Team recommendations. Specifically, they provided an update to the Commission as to current progress in resolving the accreditation recommendations with a specific focus on PCCD finances and financial management and the initial efforts by the Governing Board to address the nine (9) issues cited by the Special Visit Team.

An ACCJC action letter of June 30, 2010, once again requested that a district-level response be provided for the original 2009 recommendations regarding Financial Resources and Technology, Management Systems, and Board and District Administration. This letter also references the

audit issues identified in the ACCJC letter of November 2009, and lists the nine (9) 2010 recommendations from the ACCJC Special Visit Team Report.

### **Financial Resources and Technology**

The PCCD is taking immediate steps to implement appropriate controls and MIS system modifications in addressing the financial resources and technology recommendations cited in the 2008-09 independent audit and deficiencies noted in the ACCJC June 30, 2010 review letter. MIS staff members are charged with developing a Project List that will ultimately achieve access to a fully integrated computer information management system, including modules for student, financial aid, human resources, and finance data. The focus of this Project List will be to assure financial integrity and accountability. In addition, each recommendation related to financial resources and technology has been incorporated within the PCCD's Corrective Action Plan. This Corrective Action Plan includes a time line, an accountability focus and the stated recommendations. This Plan in part will be used to update ACCJC, the State Chancellor, and the PCCD (Board, Planning and Budget Integration Committee, Academic Senate, Strategic Management Team). As part of the accountability focus and open communication, the administration will provide regular progress reports to the Board of Trustees.

### **Management Systems**

The PCCD is taking immediate steps in resolving the functional issues associated with the implementation of the district-wide adopted software management systems for students, human resources, and financial administration. The PCCD's Corrective Action Plan will track the Management Systems recommendation through the use of an "Issues Log". This Plan in part will be used to update ACCJC, the State Chancellor, and the PCCD (Board, Planning and Budget Integration Committee, Academic Senate, Strategic Management Team) regarding all action taken to improve and upgrade the management system modules in PeopleSoft since January 2010 (non-financial modules; largely Student Administration related). The Vice Chancellor of Education Services, the Associate Vice Chancellor of Information Technology and key faculty, staff, and college administrators will continue to address the Management Systems recommendations in addressing the noted functional issues.

### **Board and District Administration**

The PCCD is taking immediate steps to assess the overall effectiveness of its services to the colleges in order to provide a clear delineation of functional responsibilities and to provide a clear process for decision making. The PCCD's Corrective Action Plan will track each Board and District Administration recommendation. This Plan in part will be used to update ACCJC, the State Chancellor, and the PCCD (Board, Planning and Budget Integration (PBI) Council, Academic Senate, Strategic Management Team). The PBIM process is directly connected to the strategic planning of PCCD, addresses the functional responsibilities of the District Services Centers and the Colleges, and is advisory to the Chancellor. All decision-making relies on the Chancellor for district-level planning and budgeting and the College Presidents for college-level planning and budgeting. Second, the response addresses the nine (9) 2010 recommendations which focus on the role and responsibilities of the Governing Board, as distinct from the role and responsibilities of the Chancellor and all administrators who directly or indirectly report to the Chancellor. The Chancellor, the Vice Chancellor of Educational Services, and key faculty, staff

and college administrators will continue to address the Board and District Administration recommendations.

## VIII. Multi-Year Fiscal Projections

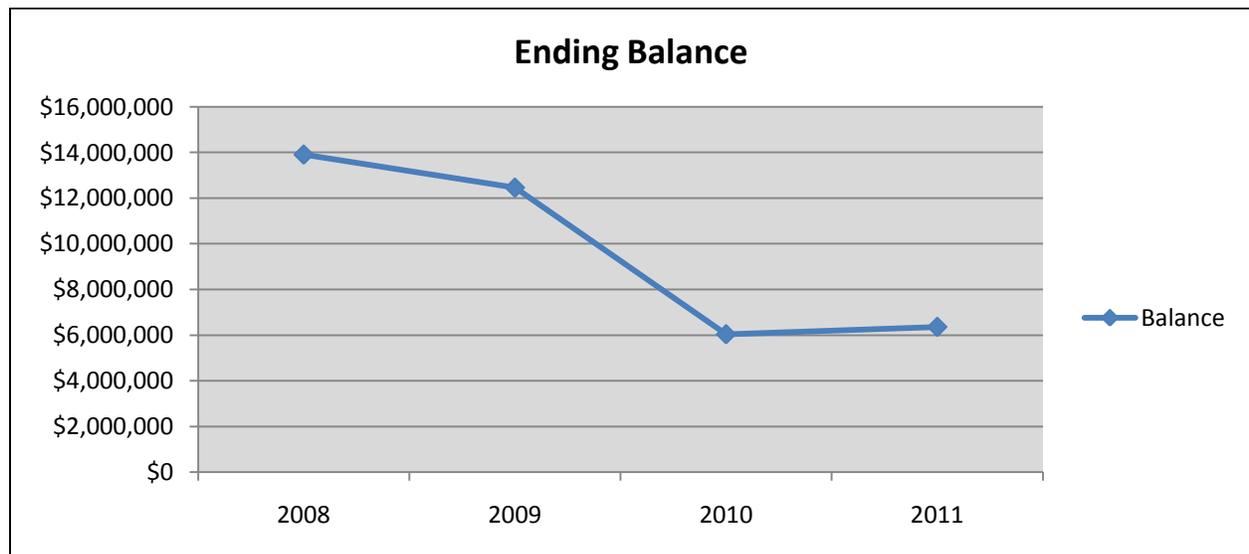
The PCCD is heavily reliant on state funded apportionment related to FTES generation. In 2009-10, state general apportionment accounted for over 63% of total unrestricted general fund revenues when local property tax and enrollment revenues are factored into the apportionment formula. As such, PCCD's fiscal stability is largely dependent on its ability to align its programs and services offerings to meet the anticipated demands of the communities the PCCD serves. The California State budget crisis negatively impacted the apportionment of 2009-2010 and will continue to negatively impact the apportionment of 2010-2011. Significant budget reductions have been made in past years and will need to continue to be made to address the PCCD's budget deficit.

### 2010-11 Tentative Budget Narrative/Assumptions

#### Unrestricted Fund Balances

The Unrestricted Fund Balance has been declining since 2008 from almost \$14 Million to a projected less than \$7 Million in June 2011. PCCD must continue to take whatever action is necessary to insure that the projected balance does not remain below the 5% (\$5,600,000).

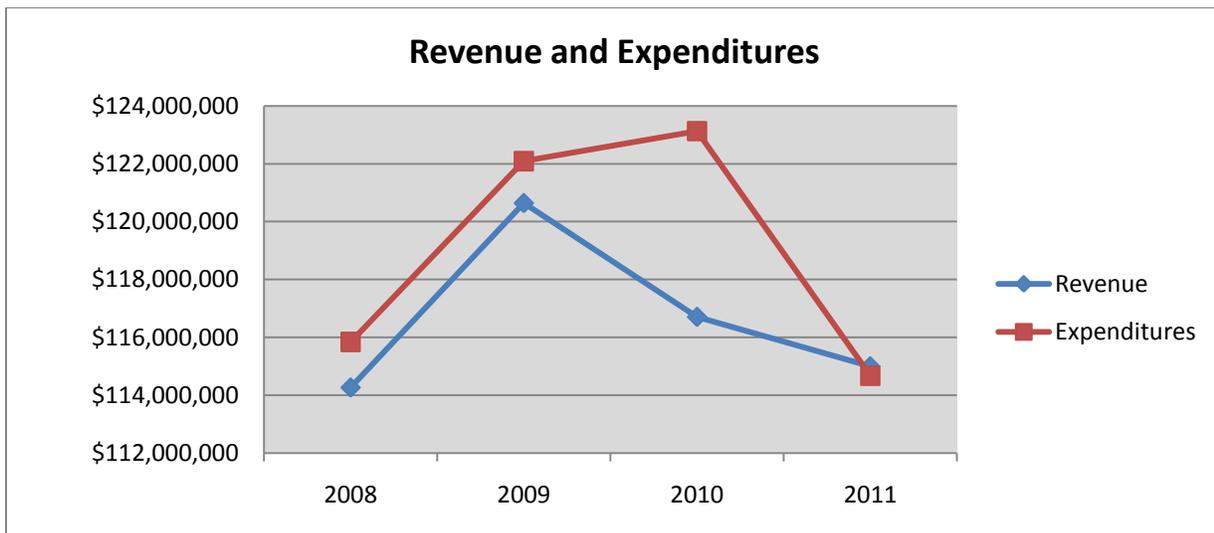
Changes in Unrestricted Balances					
Year	Beg Balance	Revenue & Trans.	Expend. & Trans.	Balance	
2008	15,481,521	114,266,043	115,840,026	13,907,538	actual
2009	13,907,538	120,640,551	122,089,271	12,458,818	actual
2010	12,458,818	116,707,385	123,128,200	6,038,003	budget
2011	6,038,003	114,996,940	114,675,587	6,359,356	budget



## Unrestricted Fund Deficit Spending

Another way of looking at a declining fund balance is to compare revenue and expenditures. Since 2008, PCCD has been deficit spending more than it has been taking in. PCCD has had to take several actions to reduce expenditures by almost \$12,000,000 from last year. This effort has been required to resolve the issue. The primary reason is that simultaneously costs are projected to rise by \$2.4 million dollars in benefits and another \$3.6 million in OPEB bond redemption payments.

Deficit Spending: Expenditures Exceeding Revenue					
Year	Beg Balance	Revenue & Trans.	Expend. & Trans.	Balance	
2008	15,481,521	114,266,043	115,840,026	13,907,538	actual
2009	13,907,538	120,640,551	122,089,271	12,458,818	actual
2010	12,458,818	116,707,385	123,128,200	6,038,003	budget
2011	6,038,003	114,996,940	114,675,587	6,359,356	budget



## Unrestricted Fund Budget Reductions

The consequence of the previous deficit spending has been depletion of PCCD's reserve. Therefore, this budget includes enough expenditure reductions so that the reserve can be maintained at 5% (\$5,600,000). Unfortunately, the budget also includes expenditure increases, which increased the requirement for reductions.

Expenditure Increases	
Health Benefits rates	2,100,000
PERS Rate Increase	238,000
OPEB Principal	3,660,000
<b>Total Exp. Increases</b>	<b>5,998,000</b>

College Expenditure Decreases	
Adjunct Faculty	2,100,000
Adjunct Benefits	92,400
Benefit Re-Enrollment	669,000
Part Time Office Hours	100,000
Retirees (14 Faculty)	1,048,000
Benefits	848,400
Alameda other	427,000
Berkeley other	328,000
Laney other	777,000
Merritt other	498,000
<b>Total College</b>	<b>6,887,800</b>

District-Wide Decreases	
Police	413,000
Consultants	1,030,000
Travel	140,000
Utilities	232,000
Personnel	837,000
Other Services	300,000
Benefits	464,520
Other District Office	269,000
IRS & DOE Penalties	865,000
<b>Total District Office</b>	<b>4,550,520</b>

### Contingency Planning

As was stated in the section on State Budget Impact, there may be another 3% to 4% reduction as part of the legislated budget. Therefore, it is proposed that PCCD engage all constituencies in a process this summer to identify additional reductions so that when the Final Budget is adopted in September, it will be balanced and in accordance with statutory requirements. If the State's fiscal crisis continues to impact community colleges, an additional \$3,000,000 to \$4,000,000 in reductions may be needed. Since the state budget situation is expected to result in further cuts next year and since medical and OPEB costs are expected to rise again next year, this multi-year Fiscal Recovery Plan addresses a two year cost reduction program.

It is recommended that specific consideration be given to the following possibilities plus any other reasonable suggestions, with the understanding that PCCD is sensitive and understands the collective bargaining process.

Item	Possible \$	Action
A.	2,100,000	Another 2% reduction by location determined by the location.
B.	2,600,000	Restructure Health Benefits to eliminate the rate increase
C.	700,000	Replace only one of every three vacancies for all categories
D.	2,000,000	Eliminate the least effective programs/functions as identified by the program review process
E.	500,000	Withhold step and column advances
F.	1,300,000	Reduce all pay scales by 2%
G.	800,000	Eliminate Unrestricted Reassigned Time
H.	1,400,000	Restructure Personnel Services Contract to one-third smaller
I.	4,200,000	Furlough all employees for up to 8 days and/or or certain categories up to 12 days.
J.	1,300,000	Increase revenue by removing all students who do not pay fees

## Restricted Programs

This budget projects the possibility that some restricted programs may develop a negative ending balance which, if it happens, will require further reductions in the unrestricted budgets. It is recommended that the responsible administrators for these programs develop new reduced budgets that avoid a negative ending budget before the adoption of the final budget.

The Bond Construction Fund has been submitted with only carry over line projects from previous years. It is recommended that a special budget presentation to the Board be developed for the Bond Construction Fund that details the planned use of unallocated money.

## Deferred Compensation Trust Fund (OPEB Bonds)

This fund was established to mitigate the effect of the expected long term rise in retiree medical expenses. The financing of the fund was extremely complicated and it has been very difficult for the PCCD to discern the actual impact. However, it has become clear at this time that a serious issue has developed with the fund. Specifically, the long term debt has risen from the original \$153,000,000 to approximately \$180,000,000 at the end of fiscal 2010. PCCD replaced its financial advisor effective September, 2010 and hired KNN as the new financial advisory firm. KNN is currently reviewing the status of OPEB and is researching and preparing options for consideration by PCCD.

### Investment and Debt History

Investment History	Investment	Gain/Loss	Retiree Medical[1]	Market Value[3]
Original 05-06 Investment	150,000,000(6)			
2005-2006 Activity		-2,637,970	0	151,111,862
2006-2007 Activity		30,426,011	-5,892,200	175,645,673
2007-2008 Activity		-9,963,635	-5,533,368	160,148,670
2008-2009 Activity[5]		-25,857,550	-5,749,282	128,541,838
2009-2010 Activity[4]		15,974,763	[7]	144,516,601

Debt History[2]	Debt Issued	Deferred Interest	Interest Paid	Outstanding Debt
Original 2005-06 Debt	153,749,832(6)			153,749,832
2006-07 Activity		1,292,635	598,640	155,042,467
2007-08 Activity		7,832,277	548,373	162,874,744
2008-09 Activity[8]	10,499,258	5,317,772	1,118,888	178,691,774
2009-10 Activity		6,523,506	2,788,221	185,215,280

- [1] Contribution to General Fund to help pay for retiree health benefits
- [2] Debt has been accruing because there have been no principal and low interest payments since 2005.
- [3] Market Value Amounts are as of June 30 each year
- [4] Gain is an estimate based on market value as of April 30 less interfund transfer for Retiree Medical Benefits
- [5] Some bonds were refinanced during 08-09 resulting in debt.
- [6] Issued \$153,749,832 in December of 2005. The net proceeds were \$150,000,000.
- [7] 2009-10 \$5,800,000 payment to General Fund made September 2010.

## **VIII. GRAND JURY**

Starting July 2009, the Civil Grand Jury initiated a series of document requests and interviewed Board members as a result of a citizen complaint and articles in the local newspaper. On July 7, 2010, the Civil Grand Jury published its report and made sixteen recommendations mostly related to Board and Chancellor's expenditures. The Civil Grand Jury found no violation of law and had no complaints with the PCCD's educational program.

The PCCD submitted a formal written response to the Civil Grand Jury, assuring it that the PCCD has made numerous policy and administrative changes based on an independent investigation and the Civil Grand Jury Report.

On its own accord and in response to articles in the local newspaper, the PCCD's governing board passed a resolution on July 21, 2009, requesting the California Community Colleges Chancellor to appoint an outside, independent investigator. In response to the Board's request, Dr. Marshall Drummond, former Chancellor for the California Community Colleges and former Chancellor for Los Angeles Community College District, completed his investigation in September 2009. Although Dr. Drummond saw no violation of law, he made several recommendations on best practices concerning travel, meals and lodging expenses, credit card use, contracting, and management salary. In addition, in December 2009, the PCCD appointed Mr. Thomas Henry as its Fiscal Adviser to assist the PCCD with accreditation and fiscal stability measures. As a result, the PCCD has already made changes based on Dr. Drummond's and Mr. Henry's recommendations.