Follow-Up Report
(as of October 6, 2010)

Submitted by

Peralta Community College District
Berkeley City College
College of Alameda
Laney College
Merritt College

To

Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges

October 15, 2010

Wise E. Allen, Ph.D., Chancellor

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Certification of the October 15, 2010, Follow-Up Report

Date: September 30, 2010

To: Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges

From: Peralta Community College District
333 East Eighth Street
Oakland, CA 94606

This Follow-Up Report is submitted for the purpose of assisting in the determination of the accreditation status of the four Peralta Community College District Colleges (Berkeley City College, College of Alameda, Laney College, and Merritt College.)

We certify that there was participation by the district community and the Follow-Up Report reflects accurately the progress to date in meeting recommendations as required by the Accrediting Commission for Community and Junior Colleges (ACCJC).

Signed:

_____ Abel Guillén	President, Governing Board, Peralta Community College District
_____ Wise E. Allen, Ph.D.	Chancellor Peralta Community College District
_____ Debbie Budd, Ed.D.	District Accreditation Liaison Officer Vice Chancellor – Educational Services Peralta Community College District
_____ Karolyn van Putten, Ph.D.	District Academic Senate President Peralta Community College District
_____ Debra Weintraub	President of the Peralta Federation of Teachers Peralta Community College District
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Statement on Report Preparation

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 provide a Special Report which responded to six specific audit findings in the district's 2007-2008 independent audit report from Varinek, 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 EdMAC, to assemble a team and assist the district 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 now 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 and focused on the role and functions of the Governing Board in relation to the Chancellor/Chief Executive Officer and other district administrators.

Following the April 19, 2010 ACCJC visit, the Peralta Community College District filed additional reports with ACCJC, a Response to the Special Visit Team's Evaluation Report dated May 27, 2010 and a Report responding to questions from ACCJC dated June 10, 2010. The goal and purpose of each was to keep the Commission up-to-date on actions which were taken to resolve the accreditation recommendations and to document the ongoing actions the district has taken to resolve them.

On June 10, 2010 during the ACCJC meeting, incoming Peralta Community College District Chancellor, Dr. Wise Allen; the district's fiscal advisor, Mr. Tom Henry; and the Vice President of the Peralta Community College District 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 district finances and financial management and the initial efforts by the Governing Board to address the nine (9) new issues cited by the Special Visit Team.

At the June 2010 ACCJC meeting, the Commission took action to place Berkeley City College, College of Alameda, Laney College, and Merritt College on Probation given Peralta Community College District's significant deficiencies in meeting Standards

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III.C.D and IV.A.B. The Commission also took action to require the Peralta Community College District to complete a Follow-Up Report by October 15, 2010 that demonstrates progress in addressing and resolving all of the deficiencies identified by the four 2009 ACCJC teams, the external audit findings identified in the Commission's November 18, 2009 letter, and the deficiencies identified by the 2010 Special Visit Team. The College of Alameda and Merritt College will file an October 15, 2010 Follow-Up Report addressing college specific recommendations.

An ACCJC action letter of June 30, 2010, 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 referenced the audit issues identified in the ACCJC letter of November 2009, and listed nine (9) 2010 recommendations from the ACCJC Special Visit Team Report.

The approach to responding to the 2009 Board and District Administration recommendation is first to update ACCJC regarding the work and progress of the district Planning and Budget Integration Committee (PBI) process(4.1 and 5.1). The PBI process is directly connected to the strategic planning of the district, 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. The PBI process was evaluated in May 2010 and the evaluation results are available for review (1.1 a-f).

Further, as noted in the March 15, 2010 Follow-Up Report, the district office has completed a Manual of District Functions (19.1) which has been updated for 2010-2011 and provides detailed information on district office service centers. This manual is available for review.

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. This response was completed with the assistance of the Chancellor and the Vice Chancellor of Educational Services.

The approach to responding to the Management Systems recommendation is to update ACCJC as to all actions taken to improve and upgrade the management system modules in PeopleSoft since January 2010 (non-financial modules; largely Student Administration related). The addition of new programmers in the district Office of Information Technology is central in resolving end user needs and in implementing additional modules for greater efficiency. The new Vice Chancellor of Educational Services has established a PeopleSoft Resolution Team which will prioritize an "Issues Log" and post information on a district website (40.2 a-f). The current response to this recommendation was completed with the assistance of the Vice Chancellor of Educational Services and her staff, which includes the Associate Vice Chancellor of Information Technology and his staff.

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The Peralta Community College District is taking steps to implement appropriate controls and MIS system modifications to address the financial resources and technology modifications noted in the recommendations cited in the 2008-2009 independent audit and deficiencies cited in the ACCJC June 30, 2010 action 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 into the Peralta Community College District's Corrective Action Plan (which is included at the end of this report; see Appendix B). This Corrective Action Plan includes a timeline, an accountability focus, the stated recommendations, and methods for systematic integration. This Corrective Action Plan in part will be used to update ACCJC, the State Chancellor of California Community Colleges, the Peralta Community College District, specifically the Governing Board, the district Planning and Budgeting Council, the District Academic Senate, and the Strategic Management Team. As part of the accountability focus and open communication, district administration will provide regular progress reports to the Governing Board.

The response to the Financial Resources and Technology recommendation was completed by the new Vice Chancellor of Finance and his staff and the district Fiscal Advisor and his team.

These recommendations and the approach to responding to them were shared at the district flex day (staff development day) on August 18, 2010. Further, a detailed presentation on the recommendations and the elements of the Follow-Up Report was shared at the district Planning and Budgeting Integration Summit 2010 session on August 27, 2010 (there were 62 participants) (5.1).

This report was completed on September 30, 2010 and forwarded to the Governing Board for action at their October 12, 2010 meeting.

The Chancellor looks forward to working with the ACCJC visiting team leader for the follow-up visit to ensure ongoing dialogue with ACCJC, to update the visiting team as to actions taken since the completion of the writing of this report, and to respond to any questions and provide any additional information needed.

All documents listed as Evidence can be found at the following website:
http://eperalta.org/wp/accreditation/follow-up-reports-10-15-10/

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Response to 2009 Recommendation 1

2009 Team Recommendation 1. *Board and District Administration:* The team recommends that the District assess the overall effectiveness of its services to the colleges and provide a clear delineation of functional responsibilities and develop clear processes for decision making. (Standards IV.B.1, IV.B.3, a, b, c, f, and g)

Response

Following introductory comments, this response is then divided into two parts.
The first (I) part provides a follow-up to the response in the March 15, 2010 Follow-Up Report, which focused on the district-level Planning and Budget Integration process which is the district level process for decision making and speaks to district-level functional responsibilities.

The second part (II) provides a response to the nine (9) 2010 team recommendations which focus on the Peralta Community College District Governing Board.

Introduction

In responding to this recommendation in the March 15, 2010 Follow-Up Report submitted to the Commission, the approach was first to acknowledge a 2003 Commission recommendation which focused on Board and District Administration regarding roles and responsibilities of district administration and college administration. In the March 15, 2010 report, references were made to the 2004 Progress Report, the 2005 Progress Report, and the 2006 Focused Mid-term Report. Each of those reports provided detailed information regarding services provided to the colleges by the district services centers, as well as organizational charts showing all the component parts of the district office and the person responsible for each area.

Currently, in an effort to continue to provide a clear delineation of functional responsibilities at the district service centers, the Peralta Community College District has a ***District Function Guide*** (20.1) which provides detail on the guiding framework for district-wide decision making and information about the district services centers and the services each provides. The Manual will be available in hard copy for the ACCJC visiting team. The ACCJC visiting team will find this guide helpful given the information it provides.

Further as noted in the March 15, 2010 Follow-Up Report, functional responsibilities and clear processes for decision making became a focus of the new District-wide Strategic Planning Process which was begun in 2003. District-wide strategic goals have been set; long-term institutional objectives were set and are reviewed annually; and annual short-term institutional objectives are set through a consultation process and become a focus for college and district service center annual objectives and action plans, as well as the basis for administrator evaluations (a method of assessing effectiveness) (3.1 a-b).

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In working annually through the strategic planning process there have been various iterations of a committee structure to process district-level planning, the district-level budget, and district-level recommendations forwarded to the Chancellor.

As stated in the March 15, 2010 report, one critical component regarding responsibilities and processes for decision making was the establishment of the ***Strategic Management Team (SMT)*** in September 2006. The SMT is comprised of the four college presidents and the five vice chancellors (Educational Services, Finance, Human Resources, General Services, and Student Services). This executive group meets regularly with the Chancellor to deliberate upon and develop common approaches to district-wide issues and planning. A key goal in forming the SMT was to create collaborative working relationships between the colleges and the district office service centers. The Strategic Management Team through the Chancellor receives recommendations from the district-wide Planning and Budget Integration process committees. The Strategic Management Team also can forward issues to the Planning and Budget Integration process committees to elicit input for decision-making. The members of the SMT are charged with communicating the work of the SMT with their constituent groups in order to ensure transparency and to provide clarity regarding district-level decision making.

As noted in the March 15, 2010 Follow-Up Report, comments from the 2009 Evaluation Reports of the four colleges regarding this recommendation were cited in an effort to gain specificity as to the issues at the four colleges which led the visiting teams to make this recommendation to the district/colleges and ACCJC. Further, in the March 15, 2010 report, it was noted that this recommendation was not included in the College of Alameda 2009 Evaluation Report. In reading the 2009 Evaluation Reports for Berkeley City College, Laney, and Merritt, it would seem that the basis for many of the issues, concerns, and frustrations with district services are grounded in the problems and issues surrounding the choice to purchase and implement the PeopleSoft enterprise management system. How the system was chosen, how it has been implemented, how decisions have been made as to what to include in the system, how it is being made functional, to how training is provided – seemed to be the basis for many of the evaluative comments in the 2009 visiting teams Evaluation Reports, which led to this particular recommendation.

The Peralta Community College District has used the Planning and Budget Integration process as a means to develop a clear delineation of functional responsibilities and clarity regarding processes for decision making, since this is the process used to make district-level planning and budgeting decisions and will be evaluated annually. Each PBI committee is chaired by a Vice Chancellor or an Associate Vice Chancellor; each PBI committee includes one college president; each committee has a membership of key faculty, staff, and administrators; provides planning and budgeting recommendations to the Chancellor and through the Chancellor to the SMT; and obligates all members to communicate this district-level work with their constituencies. It is through structure and process that the Peralta Community College district is addressing this recommendation.

The April 2010 Special Visit Team Report concluded that "at the time of the spring 2010 visit, there was no clarity on whether this recommendation had been fully addressed."

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The ACCJC visiting team should find the Manual of District Functions, the Planning and Budget Integration model process, and the evaluation of the PBI helpful in understanding the structure and process to respond to this recommendation (4.1, 5.1, 1.1 a-f, 19.1). Detail about the PBI process is provided later in this response.

Therefore, the current response will provide updated information, since April 19, 2010, on the Planning and Budget Integration process and the four committees which staff the process. This integration process is connected to district-wide strategic planning, makes recommendations to the Chancellor for his review and decision-making, and was evaluated for effectiveness at the end of spring semester 2010 (1.1 a-f). This process will continue in 2010-2011 with the goal of making it even more effective.

Information regarding the Planning and Budget Integration process follows in Part I. In Part II, a response is provided to the nine (9) 2010 recommendations which are specific to the Peralta Community College District Governing Board.

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I.

Planning and Budget Integration Model: Services to the Colleges, Decision Making, and Roles & Responsibilities – 2009-2010

Background information: As was noted in the March 15, 2009 Follow-Up Report, the role and function of the district office service centers, the services they provide and coordinate for the colleges, and a clear delineation of roles and responsibilities is an ongoing conversation as the district service centers and the four colleges address strategic planning, annual institutional goals and objectives, and focus on integrated planning driving the budget. This becomes even truer in the time of budget constraints and the decrease in State funding.

As also noted in the March 15, 2009 Follow-Up Report, the former Chancellor convened a Chancellor's Working Group (CWG) in early 2009 to address the effectiveness of the district-planning and decision-making committees to determine if a more effective structure and process could be formulated, as well as to provide greater transparency regarding district-level decision making . (The CWG was time specific and ended once recommendations were presented to the Chancellor for action.) The Chancellor formally charged the CWG to study issues and recommend options for improving the functioning of the district-wide advisory and decision-making process. In so doing, the charge was to address functional responsibilities and to recommend an improved process for arriving at district-level recommendations which could be forwarded to the Chancellor for decision-making. The Chancellor requested that the CWG:

- Streamline the process for developing recommendations on planning and budgeting;
- Ensure effective shared governance participation; and
- Deliver thoughtful, data-driven recommendations.

The guiding principles which the CWG established and which are still recognized as necessary for effective district-level decision-making are the following:

1. Educational planning and needs (including services) shall be the foundation of all decision-making.
2. College planning shall be the primary source for determining shared governance recommendations. The role of district-wide committees and processes is to provide uniform data, assure consistency, and to encourage and promote coordination. Colleges are the primary source because they are the closest to student needs and have the educational expertise.
3. There needs to be a clear flow of communication between district-level committees so that the development of recommendations is transparent and logical.
4. The district Planning and Budgeting Council (PBC) has authority to make recommendations to the Chancellor and to make recommendations on initiatives proposed by the Chancellor. As per existing policies and procedures, the

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Chancellor provides a response to advisory and constituency bodies if the recommendations are not adopted and/or are substantively modified.

5. There needs to be a clear path from recommendations to consideration in the decision-making cycle.
6. All decisions and minutes for the Planning and Budget Integration process committees shall be documented and publicized widely, using all available means. This ensures effective communication to the colleges and constituencies. It further ensures communication of decisions and recommendation which occur and cites who is responsible for final action. (All documents from 2009-2010 can be found at http://eperalta.org/wp/pbi/about/ which include agendas, minutes, and pertinent documents for each committee; and the 2010-2011 process documents can be found at http://eperalta.org/wp/pbi/) (or 4.1, 5.1).

The CWG recommended to the Chancellor to streamline the district-level committee process and to establish a District Education Committee (chaired by the Vice Chancellor of Educational Services), District Technology Committee (chaired by the Associate Vice Chancellor of Academic Affairs with the assistance of the Associate Vice Chancellor of Information Technology), District Facilities Committee (chaired by the Vice Chancellor of General Services), and a higher level District Planning and Budgeting Committee (chaired by the Vice Chancellor of Finance) which reports directly to the Chancellor. Also, each PBI committee has a college President as member, who is responsible for communicating the work of the committee to the Strategic Management Team and her/his college constituencies. This streamlined committee process has provided a structured method to address district services and the necessary collaboration needed among the colleges and with the district service centers.

This district-level committee process relies on the planning at each of the four colleges. The colleges engage in periodic program reviews (every three years), annual unit planning, and develop annual educational and resource planning priorities in keeping with the district's strategic goals and annual institutional objectives. In this process the colleges develop plans addressing: instructional and student services programs; staffing priorities; fiscal priorities; IT and equipment; facilities; and marketing. The planning at the four colleges drives district planning which then drives the provision of district services to facilitate the implementation of college planning. During these budget constraints the planning process has focused on facilities master planning, as well as program prioritization, viability, and consolidation.

Planning and Budget Integration Committee Process: At ***Summit 2009***, as reported in the March 15, 2010 Follow-up Report, the new four district-level committees met for the first time and began the new process for planning and budget integration. (Please reference the March 15, 2010 report for full information on Summit 2009.) Each committee finalized its membership; set ground rules; set goals and outcomes for the year; set a schedule of monthly meetings, decision points, and deliverables; and, as noted above, have posted monthly the work of each committee (including agendas and committee minutes) to the Peralta Planning and Budget Integration website (4.1, 5.1).

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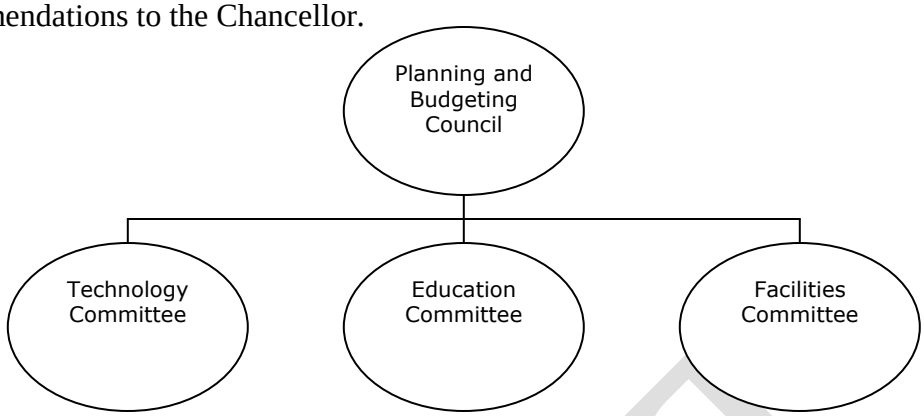
The PBI process is an integrated district-wide planning and budget advisory system of four committees that receive planning inputs from the colleges and make recommendations to the Chancellor.



Subject-Matter Committees: Technology, Education, and Facilities

The role of these three district subject matter committees is to recommend decisions that build on college program reviews and annual institutional plans and goals and achieve the best results possible for students and the district as a whole. Specifically, the committees

- Stress the use of program reviews and plans in making decisions
- Seek collaborative solutions that make most efficient use of resources on a district-wide basis
- Develop reasonable decisions that all colleges can "live with" based on adherence to transparent discussion and decision making based on data and effective communication.
- Provide feedback to the colleges
- Provide technical review of the college priorities
- Ensure consistency between college requests and existing approved plans (i.e., subject-matter plans, district-wide strategic plans, etc.)
- Identify opportunities for college-to-college collaboration where resource sharing could be useful.

<u>The Education Committee:</u> The district Education Committee focused on the colleges revising and updating all unit plans and conducting program reviews in spring 2010. The program reviews and unit plans included a prioritization of human resource needs (faculty and staff) [however, there was no available funding to hire new faculty and staff]; equipment, material, and supply needs; facilities needs; and technology needs. One of the main actions in 2009-2010 was to begin the process for purchasing a new district-wide library system, a recommendation which was then forwarded to the Planning and Budget Council and then to the Chancellor. All college resource needs were linked with the College Educational Master Plans and the District Educational Master Plan.

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Other areas of discussion and action at the district Education Committee included addressing categorical budget reductions and the impact on the provision of services in those categorical areas (i.e., DSPS, EOPS, Matriculation, CalWORKS, TANF, TTIP for libraries, etc.); the ongoing work in student learning outcomes and assessment to meet the "proficiency" stage by 2012; the method to address summer school, given the work load reduction by the State Chancellor's Office; and the need for an additional Measure A bond fund allocation for equipment given the reduction in State funding.

Key topics, as cited in the committee minutes, begun in 2009-2010 and which will continue in 2010-2011 include the following:

- Looking at key issues in the four college Educational Master Plans,
- Reviewing the top priorities at each college,
- Addressing program viability and program consolidation,
- Prioritizing faculty positions needed at each college (a district-level prioritization among the four colleges),
- Focusing on distance education and needed online support,
- Looking at possibilities for contract education and fee based classes,
- Reviewing Smart Classroom needs,
- Setting priorities for 2010-2011 and 2011-2012 budget development,
- Establishing technology and facilities priorities which can be funded through Measure A, and
- Participation in the evaluation of the Planning and Budget Integration process in order to "assess the overall effectiveness."

The Vice Chancellor of Educational Services chairs the District Education Committee.

<u>The Technology Committee:</u> The district Technology Committee's mission is to focus on technology services district-wide; to identify issues and needs of the four colleges; and to develop plans in order to enhance technology in the support of student learning by addressing instructional, administrative, and business services functions. This committee also provides recommendations on technology and prioritizes technology requests in order to be results-oriented, promote transparency, and facilitate communication amongst the four college and the district service centers, as well as between the colleges.

Key topics, as cited in committee minutes, begun in 2009-2010 and which will continue in 2010-2011 include the following:

- Needed Library technology infrastructure,
- Smart Classrooms,
- Developing websites using free resources (i.e., WordPress),
- Review of IT Network Coordinator's priorities,
- Review and action on college technology priorities,
- Supported the hiring of needed programmers/analysts/technicians (especially for full implementation of the PeopleSoft system),
- Implementation of a "Wait List" process for student enrollment,
- Adoption of a computer use policy, and

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- Participation in the evaluation of the Planning and Budget Integration process in order to "assess the overall effectiveness."

The Associate Vice Chancellor of Academic Affairs with the assistance of the Associate Vice Chancellor of Information Technology chairs the District Technology Committee.

The Facilities Committee: The district Facilities Committee worked with a facilities prioritization list from each college. This committee early on determined that security needs and health issues were part of its responsibility. Further, there was a focus on procurement, FF&E, moving from keys to card keys, and setting outcomes for 2009-2010.

Key topics, as cited in the committee minutes, begun in 2009-2010 and which will continue in 2010-2011 include the following:

- Review and input on procurement procedures,
- Review of a District Pandemic Response Plan,
- Review of the Alertify Mass Communication System (which was used prior to and after the Mehserle verdict),
- Review of the Five-Year Construction Plan,
- Review of the Shared Governance Project Approval Process,
- Addressing Measure A – looking forward, transparency, and document access; and
- Participation in the evaluation of the district Planning and Budget Integration process in order to "assess the overall effectiveness."

The Vice Chancellor of General Services chairs the District Facilities Committee.

The Planning and Budget Council: A major focus of the district Planning and Budgeting Council (PBC) was the dramatic decrease in state funding. The chair of the committee, the Vice Chancellor of Finance, recommended various strategies to deal with the loss in funding which the PBC endorsed. In spring semester 2010, given the projected decrease in State funding for 2010-2011, each college provided the PBC with a presentation on how each would cut an additional 3% and 5% from their budgets. Due to the current state fiscal crisis and delay in adopting the state budget in a timely manner, this proactive process will continue to be a focus in 2010-2011.

The charge of the PBC is to make recommendations to the Chancellor and receive a response from the Chancellor before the Chancellor pursues any significant course of action. The Council also shall receive draft policy initiatives and considerations from the Chancellor and make recommendations on those before any significant action is taken by the Chancellor.

The PBC recommends integrated educational and resource priorities to the Chancellor. The PBC makes recommendations on Board policies and decisions initiated by the Chancellor. For unresolved issues, the PBC recommends resolutions for any issue where there is not agreement, i.e., issues between the colleges and district office service centers,

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between or among the colleges, or any other set of parties in disagreement which impacts planning.

For shared agreement items, the PBC performs the following functions: (1) Affirms consistency with strategic and educational plans; (2) recommends a coordinated planning approach across education, facilities, IT, fiscal, etc., and across colleges and initiatives; (3) recommends a prioritization of plans across subject areas and colleges; and (4) identifies funding approaches to support the priorities.

The PBC is responsible for providing oversight on the implementation of the Strategic Plan and annual institutional goals that support implementation of the Strategic Plan. The PBC also ensures accountability for follow-through on recommendations. The PBC tracks its recommendations and determines which of two results occurred: 1) the recommendation was implemented including any modifications, or 2) the recommendation was not implemented and the reasons for it not being implemented. The PBC also ensures accountability for follow-through on process steps: Did constituencies, colleges, district service centers, committees, etc., perform the agreed upon steps in the process?

Key topics, as cited in the Council's minutes, begun in 2009-2010 and which will continue in 2010-2011 included the following:

- Setting committee protocols and interface with the other three committees,
- Review of the Budget Allocation Model,
- Ongoing review of the 2009-2010 budget and fiscal updates (and to include 2010-2011 and 2011-2012),
- Report from the Peralta Foundation,
- Report on Measure A funding and priorities,
- Regular review of actions from the other three committees,
- Endorsed the need for Library system infrastructure,
- Reviewed priorities from college unit plans,
- Ongoing discussion of 2010-2011 budget and budget targets,
- Development of a template for requests to be presented at the PBC,
- Support of the need for a hiring freeze,
- College presentations of a 3% and 5% 2010-2011 budget reduction, and
- Participation in the evaluation of the Planning and Budget Integration process in order to "assess the overall effectiveness."

The activity of the four planning committees demonstrates the value in re-organizing the district committees and putting in place a focused approach to the work of the committees. This concerted effort to restructure and refocus the purpose and charge of district-level committees has been most critical given the economic crisis in the State of California resulting in drastic reduction in funding to community colleges, which will probably continue for several years. This committee structure allows for collaborative thinking, approaches, and planning for the delivery of district-level services and helps to insure that the mission of the colleges and the district is primary in all decision making.

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This committee structure also focuses on accountability since the chair of each committee is a key district administrator whose job "functions" are to provided quality services to the colleges and to students. Further, as noted previously, a college president, key college administrators, and key faculty and staff serve on each of these committees allowing for immediate feedback on college educational priorities and a communication loop with the Strategic Management Team and all college constituencies.

Evaluation of the Planning and Budget Integration Process: In May 2010, an evaluation of the Planning and Budget Integration process was completed by the membership of the four PBI committees. There was nearly a 50% response rate to the evaluation instrument. The evaluation instrument provided for an evaluation of each committee, as well as the overall process. An outside consultant took the data results from the survey and summarized the data into "Keep, Start, Stop."

Keep: What are we doing well and should keep doing?

- Structured process linking college and district-wide planning
- Facilitation, note-taking and summaries
- Good start at integrating planning with budgeting
- Meeting regularly

Comments like the following reflect the overall tone of the written remarks: "The organization and process are good, though a little tweaking might be necessary." "Better and open discussion is taking place."

Start: What should we start doing to increase effectiveness?

- Integrate the committees with meaningful decision paths
- Improve documentation of all college inputs and committee outputs
- Clarify milestones throughout the year
- Improve communication back to the colleges
- Coordinate across the committees more effectively
- Have the facilities and technology committees learn from the PBC and Education Committee- regularly meetings, good agendas, posted minutes, etc.
- Ensure that key administrators attend consistently and provide leadership and support

Comments like the following reflect the overall tone of the written remarks: "Have a clear path in which recommendations and decisions made at committees are followed through and okayed or not okayed." "Committee members are not reporting back to the college leadership committees." "Committee members need to be accountable for attendance."

Stop: What are we not doing well and should stop?

- Using the meetings to make informational announcements that would be better handled through written communication
- Letting there be inconsistent attendance, especially from chairs and key managers.

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Was the process perfect? No. Was the process an improvement to the strategic planning process and decision making? Yes. Did committee members take the process seriously? Yes. The assessment results of the process are critical to building and improving the process for 2010-2011. Given that almost 50% of the committee members responded to the assessment survey also indicates a strong commitment to the process and the willingness to continue to work the process and improve the process.

Planning and Budget Integration Model: Services to the Colleges, Decision Making, and Roles & Responsibilities – 2010-2011: The Year Ahead

Annual Institutional Goals and Moving Forward: One of many things the incoming interim Chancellor immediately did was to work with the Strategic Management Team to set the annual institutional goals for 2010-2011 (approved on August 5, 2010). As noted before, these goals will guide the planning and decision making of the district; will guide this year's planning at the four colleges; will serve to focus on specific "functions" in which administrators, faculty, staff will engage; and will serve as a central piece of administrative evaluations.

The Strategic Focus for 2010-2011, given the state of the economy and State budget is student success in the core educational functions of basic skills, transfer, and CTE by encouraging transparency and communication and on spending within an established budget. Given this strategic focus the goals for 2010-2011 are as follows:

Strategic Goals	2010-2011 Annual Institutional Objectives
A: Advance Student Access, Equity, and Success	**A.1 Access:** Strategically focus access to programs and course offerings in the essential areas of basic skills, CTE, and transfer and manage enrollment to stay within the state allocation of 19,950 FTES. In addition, increase access to educational opportunities by leveraging contract education, fee based instruction, distance learning, and international and out-of-state enrollments. **A.2 Success:** Identify institutional, instructional, and student support changes and develop an implementation plan to improve by 10 percentage points, student success rates and movement through basic skills/foundation course sequences by 2014-15. **A.3 Equity:** Identify and plan for design and structural changes to reduce the fall to fall persistence gap among major ethnic groups to less than 2 percentage points by 2014-15.
B: Engage and Leverage Partners	**B.1 Partnerships:** Leverage, align, and expand partnerships for improved student learning and success in core educational functions.
C: Build Programs of Distinction	**C.1 Implement Assessment of SLO's:** Ensure timely progress in implementing the assessment of SLO's to enable the measurement and improvement of student learning and student success.

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	C.2 **Extend the Use of Program Reviews:** Use program reviews in instruction and student services to identify factors for improving student success. **C.3** **Accreditation:** Respond proactively to all accreditation requests and achieve compliance with all standards. **C.4** **Create Alternatively Designed Programs:** At each college, create or expand a program exemplifying an alternative design with promise for substantially improving student success; engage the campus community to stimulate out-of-the-box thinking and action for student success. **C.5** **Leverage Technology:** Adapt and expand the use of technology as a means for improving student access, learning and success.
D: Create a Culture Innovation and Collaboration	**D.1** **District-Wide Collaboration:** Implement improvements to the Planning-Budgeting Integration Model: a) improve coordination and communication between PBI committees and between district planning and budget integration with that at the colleges; b) ensure PBI committees set and achieve key milestones; and c) maintain a strategic-level focus on improving student learning and success. **D.2** **Lower Structural Barriers to Faculty Collaboration:** Identify and implement ways to reduce structural silos to enable faculty collaboration and innovation teams. **D.3** **Use Technology in Redesign of Educational Experiences:** Enable more efficient and deeper student learning and student success through the creative use of technology.
E: Develop and Manage Resources to Advance Our Mission	**E.1** **FTES Target**: Achieve state allocated FTES target for the district of 19,950 FTES and attain a productivity level of at least 17.5 FTES/FTEF. **E.2** **Focus Budgeting on Improving Student Success through Support for Structural Changes:** Respond to projected deficits and budget cuts by designing budgets that a) are based on program review and strategic directions; b) improve student success through support for high-impact structural changes; c) create efficiencies by sharing of positions, facilities and other resources within and across the colleges; e) consider the total cost of programs and support activities; and f) shift resources to core educational functions. **E.3** **Accreditation:** Bring into compliance with standards all aspects in the finance and budgeting area. **E.4** **Alternative Resources:** Increase alternative funding by 20% over 2009-10 through a variety of methods including gifts and grants, contract education, fee based, fundraising, international and out-of-state enrollments, and focus this funding on improving student success. **E.5** **Fiscal Stability:** Implement comprehensive improvements to the financial management systems of the district and make budget and finance information transparent and accessible to internal stakeholders. **E.6** **Balance the Budget:** Create a balanced budget and ensure that expenditures for all cost centers stay within the established budget.

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The Chancellor has directed the college Presidents and college constituencies to develop responses to the Short-Term Institutional Objectives in keeping with college Educational Master Plans, program reviews, and college unit plan summaries and priorities which results in annual college plans/budgets. College Presidents will organize processes appropriate to their colleges to produce the following deliverables.

- All instructional, student service, and administrative areas at Peralta will need to look carefully at options for streamlining and focusing their programs to achieve cost savings. *Colleges and District Service Centers will be allocated budgets and must stay within these allocations.*
- The Legislature stated in the 2009-10 Budget Act that Transfer, Basic Skills, and Career-Technical Education are the areas of focus for community colleges. The State Chancellor's Office has recommended that these three areas are "an overall priority for colleges during this budget crisis...however long it lasts."

College Deliverables	Accountability	Due Date
1. College 2011-12 Annual Plans and Draft Budgets	College Presidents	November 1
2. College Program Viability, Consolidation and Prioritization Options	College Presidents	October 22
3. SLOs Assessment Status Reports		
3.A Current Status and 2010-11 Implementation steps	College Presidents	September 15 – October 1
3.B Interim Progress Report on 2010-11 Implementation Steps	College Presidents	February 15
3.C Final Progress Report for 2010-11 and Action Plan for 2011-12	College Presidents	May 1

The PBI committees have two overall sets of deliverables.

Committee Deliverables	Accountability	Due Date
1. <u>Recommendations Based on College Deliverables:</u> Review the College deliverables listed above to recommend potential areas of collaboration across the colleges and potential resolutions of any overlapping or conflicting college goals.	Education Committee Chair (Vice Chancellor of Educational Services) Facilities Committee Chair (Vice Chancellor of General Services Technology Committee Chair (Associate Vice Chancellor of Academic Affairs and the Associate Vice Chancellor of IT)	December

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2. <u>Options to Address District-wide Issues</u>: Recommend district-wide options for addressing major issues or opportunities. The Committee Chairs and Facilitator will review the list of issues and opportunities and recommend a focus for their committee (see below): (1) Consolidation / Viability of services (instruction, student service, administrative) (2) Smart Classrooms (3) Distance Education (4) Student Services (5) Measure A Process	Education Committee Chair Facilities Committee Chair Technology Committee Chair	TBD

The following is the current timeline for the 2010-2011 PBI process:

1. Chancellor presents Annual Objectives and strategic focus at Opening Day	August 18
2. District Flex Day: District Wide Discipline meetings	August 18
3. College Flex Day: [recommended] Colleges begin process to prepare deliverables	August 19
4. PBI Kick-Off Retreat – Summit 2010	August 27
5. College Presidents deliver SYNTHESIS/SUMMARY of 2011-12 Annual Plans/Budgets	October 15 – November 1
6. District Education, Facilities and Technology Committees work on "Options to address District-wide Issues"	TBD
7. College Presidents deliver College Program Viability, Consolidation and Prioritization Options for Administrative Services, Instructional Services, and Student Services.	October 22
8. PBI Committee Chairs review and synthesize college deliverables for discussion at committees. Two topics are identified: (1) collaboration opportunities; and (2) overlap/conflicts.	October 22 to November 1
9. PBI committees review college materials and propose opportunities for coordination and other refinements to PBC. College Presidents to present to the committees	November 1 - December 15
10. PBC provides feedback to colleges on deliverables	January
11. Informational memo on Governor's proposed budget	January
12. Colleges submit draft budgets (including any responses to PBI recommendations) to the district	February
13. PBI Committees finish 2010-11 Deliverables and prepare for 2011-12 activities.	February - May

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14. Budget development update with Academic Senate and faculty union.	March
15. PBC reviews budget proposals	April
16. Draft tentative budget presented to the Chancellor	May
17. Tentative budget presented to Board	June
18. Informational memos issued on proposed budget to constituencies based on approved state budget and information from CCC Chancellor's Office	July
19. Colleges meet with constituencies on budget priorities and submit revised priorities to Chancellor	July
20. Budget available for review	August
21. Board holds public hearing on budget and approves	On/before Sep. 15

Summit 2010 (August 27) and Moving Forward: 62 individuals (the Chancellor, four Vice Chancellors, the four college Presidents, three academic senate presidents and the district academic senate president, the faculty union [PFT] president and other union representatives, and other faculty and staff leaders) attended Summit 2010 held on August 27, 2010 from 9:00 am – 3:30 pm. In keeping with Summit 2009, the goal was to "kick off" the second year of the Planning and Budget Integration Model and committee process.

During the morning session, the interim Chancellor stated his support for this decision-making process and that he would rely on the process as he moves forward this academic year. Further, the Chancellor was clear that the three district-level ACCJC recommendations would receive his undivided attention.

Following the Chancellor's remarks, the Fiscal Advisor, Mr. Tom Henry, updated the group on the actions his team has taken to not only address the ACCJC financial management and technology recommendation, but also to ensure the fiscal stability of the district and proper accounting of district funds. Mr. Henry spoke of the Recovery Plan to be filed with the California Community Colleges' Chancellor's Office. He also acknowledged that some issues were not a "quick fix," but would be resolved.

The District Academic Senate President addressed the group and spoke about the value and importance of this process to ensure transparency and accountability. She spoke to the support she and her colleagues would again give to make this process work.

The new Vice Chancellor of Educational Services provided an overview of the day, briefly reviewed the documents in a binder which had been given each participant (documents are posted on the Web and a hard copy of the binder will be available for the ACCJC visiting team). She addressed the key issue of Institutional Effectiveness and spoke to the ACCJC rubric. She also stressed the importance of the annual institutional goals which had been set for 2010-2011 and their importance to this year's planning and decision making. She reviewed the evaluation results from the PBI process evaluation survey.

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The new Vice Chancellor of Finance provided detailed information to the group on how the district is funded, the guiding principles for formulating the 2010-2011 budget, and the budget assumptions. He even spoke to enrollment management and addressed the 2008-2009 audit which had been completed in early August. He then listed his specific goals for the year which include – staying within budget (no deficit spending); adhering to local, state, and federal deadlines; the importance of resolving all audit findings; and his desire to revisit the budget allocation model and how to address appropriate funding for the colleges and district service centers.

The new Associate Vice Chancellor of Academic Affairs addressed the critical importance of the planning and budgeting decision-making model. He stressed the need for collaboration vs. competition. He cited the importance of cooperation at the district-level and explained the rationale of the process. He also addressed the data resources available from district Office of Institutional Research and the importance of reliable data for decision making.

The morning concluded with the Past President of the District Academic Senate addressing the ACCJC recommendations and the response that was being written for each recommendation.

In the afternoon the four committees met and began to determine the key issues on which to focus. At the end of Summit 2010, each committee did a report out on identified key issues.

The Education Committee stated that they will address

- SLOs/SAOs and assessment
- Program Reviews and looking at prioritization, viability, and consolidation
- Basic Skills and student success and persistence
- Review of Student Services given the decreases in state categorical funding

The Technology Committee stated that they will address

- Smart Classrooms and district-level coordination
- Distance Education and ongoing continuous improvement
- How to maintain existing technology and have appropriate funding.

The Facilities Committee stated that they will address

- Creating a system to advance projects
- Uncommitted Measure A funds
- Department of General Services process for work orders
- Effective communication with the colleges.

The Planning and Budgeting Council stated that they will address

- The 2010-2011 budget
- The Recovery Plan to be submitted to the California Community Colleges Chancellors' Office

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- A district-wide Budget Workshop on September 20, 2010
- Drafting the 2011-2012 budget using specific deadlines
- Relooking at a budget allocation model.

Each committee did a report out to the entire group and there was consensus that the planning and budgeting process was off to a good start for the 2010-2011 academic year.

It will be important for the ACCJC visiting team to take time to look through the District Function Guide (20.1) and how it, in part, addresses this recommendation. The District Function Guide or Manual of District Functions is one piece of information which speaks to functional responsibilities at the district office service centers and the services provided.

Further, it will be important for the ACCJC visiting team to review the Planning and Budget Integration process and committee structure, the evaluation of the process which was conducted in May 2010 to determine effectiveness, and to gain an understanding of how this process speaks to district-level decision making.

The "district" (district service centers and the four colleges) is taking serious steps to provide transparency to and understanding about the district-level services and decision making.

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II.

2010 Special Visit Team Recommendations – Roles and Responsibilities of the Governing Board

Response by the Board and Overview of Progress:

The Board is grateful to the 2010 Special Visit Team for identifying serious concerns with the governance and decision making processes of the District and providing excellent recommendations for remediation. The Board takes these recommendations seriously and is determined to conduct itself in accordance with ACCJC standards.

The Board agrees with the visiting team that mistakes have been made and pledges to work with the Chancellor to correct them. At a recent meeting/Board training, the new interim Chancellor, Dr. Wise Allen, said "It's time to turn the page." Except for lessons learned, dwelling on the past is unproductive and seldom changes history or the views and feelings of players. It is indeed time to move on.

Of note, early last summer the Board unanimously agreed to undergo extensive professional training as a way to respond aggressively to the Commission's nine 2010 recommendations. Board members attended two onsite workshops sponsored by the California Community College League, one conducted by Mr. William McGinnis on June 10, 2010 that dealt with a detailed review of Board roles and responsibilities with special attention to Accreditation Standard IV, and another by Dr. Cindra Smith on September 14, 2010 that focused specifically on the nine 2010 recommendations of the Commission.

The workshop presenters are acknowledged leaders in board governance and their sessions proved extremely valuable. In Mr. McGinnis's workshop, for example, he provided many seasoned observations about the joint roles of the Board and the Chancellor, and distributed a document entitled, "Board and CEO Rules: Different Jobs, Different Tasks" (2000), a comprehensive list of mutual responsibilities (see Response 3 below). One of the most relevant was that the Board must work exclusively with the Chancellor and never attempt to go around him. Any move to bypass the CEO and issue directives to his subordinates not only violates Accreditation Standard IV, but confuses lines of authority and shifts responsibility away from the Chancellor to the Board and invites charges of micro management. The best practice is to meet with the Chancellor, discuss what has to be done, set priorities, provide support and resources, and hold him/her directly responsible for change. If the Board determines that change is not forthcoming or is inadequate or that the Chancellor lacks the initiative or ability to correct the problems, the Board may contact the State Chancellor for assistance and as a last measure, after legal review, consider retirement or departure. The critical lesson here is that the Chancellor and Board function as a team, each relying on the other for clear, reliable information, guidance and mutual support. The Board believes that with the appointment of Dr. Wise E. Allen as interim Chancellor, Peralta is poised to move boldly

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into the future. The Board has great respect for his leadership and most important for his firm style of management.

Also in response to the workshops and recommendations, the Board has undertaken an intensive review of its policies and has already made significant revisions to bring them in line with governance standards, including Duties and Responsibilities of the Board members 1.05; Code of Ethics 1.06; Board Committees 1.21; and Chancellor Selection 1.20. Moreover, the Board has clarified the distinction between board policy and administrative procedures and has recommitted to the principles contained in BP Policy and Administrative Procedure 1.25. The Board recognizes that while it has primary responsibility for the development of policy, the Chancellor has exclusive authority for writing and enforcing administrative procedures. This distinction is extremely important because in the past the differences were blurred. Some Board members incorrectly believed that procedures had to be reviewed and approved by the Board before implementation. This misperception has been corrected.

In other instances of confusion, some Board policies contained both policy and procedural elements. For example, the former policy on Board duties and responsibilities (a new version is being finalized), incorrectly authorized the Board to hire and direct certain administrators, including an inspector general, which caused serious confusion over accountability, lines of authority, and communication. This error has been corrected. The Board now recognizes that it has authority only to hire and evaluate the Chancellor, and that it assigns the Chancellor responsibility for the operation of the district and the hire and evaluation of all administrators.

On the other side of the equation, many key board policies lacked corresponding administrative procedures, which, especially in complex areas of accounting and budgeting, significantly contributed to the financial collapse. To remedy these lapses, the Board approved the hiring of a team of external experts (EdMAC) to overhaul the finance department and assist the Chancellor in developing clear, detailed administrative procedures for all fiscal operations. At the request of the Board, the Chancellor has directed chief legal counsel to monitor the development of administrative procedures and identify areas of need. The Chancellor has already approved several fiscal procedures.

As further evidence of the Board's commitment to improve its performance and implement the recommendations of the Commission, Board President Abel Guillen announced at the September 14, 2010 workshop that one board meeting per month will focus primarily on the principles and best practices of Board membership.

(2010) Recommendations 1: *In order to meet standards at all times, all personnel selection actions must adhere to the established policies and procedures.* (Standard III.A.1.a)

Response

On July 1, 2010, the interim Chancellor officially began his work as the Chief Executive Officer of the Peralta Community College District. In a special workshop (July 19, 2010)

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called by the Board to initiate a dialogue, clarify lines of authority, and review the personnel selection procedures, the Board agreed that the Chancellor alone would report to the Board and that in turn the Board would hold him accountable for the successful operation of the district.

The Chancellor also presented the Board with organizational charts showing initial restructuring within the district office service centers and lines of authority. During his presentation, the Chancellor was clear that managers report directly to him rather than to the Board and that only he was authorized to report to the Board. The managers in the workshop, including the Vice Chancellor of Human Resources, acknowledged commitment to this principle of communication. There would be no exception to the rule unless specifically authorized by the Chancellor.

At the September 14, 2010 training for the Board conducted by Dr. Cindra Smith, an expert on governance and a staff member of the Community College League of California, addressed each of the nine 2010 ACCJC recommendations. Regarding recommendation #1, the Board agreed that it will adhere to the policies and procedures of personnel selection and hold the Chancellor responsible for carrying them out. The Board acknowledges that it has no direct role in the selection of personnel, cannot hire, order or evaluate any employee other than the Chancellor.

Rather than dwell on past grievances, the Chancellor encouraged the Board to "turn the page" and work with him as he takes the critical steps necessary to restore order and build a quality system the community can be proud of. The Board acknowledged the importance of improving the public's perception of the colleges and the district and emphasized that they are more than willing to move forward with him.

(2010) Recommendation 2: I*n 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.* (Standard IV.B.1.j).

Response

At the July 19, 2010 Board meeting, the reorganization chart presented to the Board proposed that the inspector general report directly to the Chancellor instead of the Board. The following evening at its regular public meeting, in a show of support for the new Chancellor and sensitivity to the concerns of the ACCJC, the Board voted unanimously to approve the proposal, thereby ending a long-standing governance issue. Henceforth the IG will report directly to the Chancellor, and will be assigned duties and evaluated by him. Recommendation #2 has been resolved; the inspector general reports to the Chancellor.

At the September 14, 2010 training of the Board, the Board members reaffirmed that the inspector general reports directly to the Chancellor.

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(2010) Recommendation 3: *In order to meet the Standards, the team recommends the 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*. (Standards IV.B.1.d, IV.B.1.j)

Response

The Board , on July 20, 2010, adopted a Community College League of California document, "Board and CEO Rules: Different Jobs, Different Tasks" (2000). Throughout the document, there are charts listing the "Board Role and Tasks" and the "CEO Roles and Tasks." The sections of the document include: strengthening the Board and CEO relationship, organizational leadership, educational programs and services, fiscal affairs, human resources, community relations, legislative relations, and legal affairs. The Board has agreed to use this document as a means to distinguish the roles and responsibilities of the Board from those of the Chancellor.

On September 14, 2010, Dr. Cindra Smith, from the Community College League of California, conducted a training workshop for the Board and during the training addressed all nine of the 2010 ACCJC recommendations addressed to the Board . The Board members held an extensive dialogue regarding how to obtain timely information outside a public meeting of the Board. A call to the CFO, for example could help curb rumors, clarify facts and data, and even assist the Board in making well-informed decisions at public meetings. The Chancellor resolved the problem by inviting all members of the Board to call him directly for information of any kind, and he promised every request would be answered. It was especially important not to call subordinates, he said, because Board members are perceived as persons of influence and authority, and a casual request for information may be interpreted as an order. While Board members have no authority to direct staff, it is difficult for employees to refuse their requests. The Board agreed to always contact the Chancellor first for any need.

In the September 14, 2010 training there was substantive dialogue about the role and function of Board committees. Again it was acknowledged that these committees must have a policy orientation and not get involved in the operational procedures that stem from policy. The President of the Board reminded his colleagues that Board Policy 1.21 speaks to Board committees. He readily acknowledged that the Board needed to review the policy and needed to enforce its own policy regarding Board committees. That policy states that "After its annual reconstitution as a first order of business, each committee shall submit a proposal to the Board for guidance and approval that will include:

1. Goals and objectives of the committee for the current calendar year
2. Individual initiatives and issues to be pursued
3. Priorities
4. Staff time required
5. Funding required
6. A schedule of regular committee meetings."

Again the Chancellor urged that the Board stay focused and move ahead. He recommended that Board committees make regular reports to the full Board, since Board Policy 1.21 states that "Board committees have no authority or power to act on behalf of the Board. Findings and considerations shall be reported to the Board for consideration." There also was acknowledgement of the need for clarity as to the relationship of Board committees to the district Planning and Budgeting Integration Process, described in part I of this response. The Chancellor and the President of the Board also will work to revise Board Policy 1.05, Duties and Responsibilities of the Board of Board members.

This policy (1.21) is now under review and will establish clearly the limited function of the committees—to gather information and make policy recommendations. It also affirms that committee members have no authority to make decisions or to order personnel to perform tasks.

(2010) 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.* (Standard IV.B.1.f)

Response

On June 10, 2010, Bill McGinnis, from the Community College League of California, provided a training workshop for the Board . Mr. McGinnis reviewed the "Ground rules when meeting as a Board," addressed "Effective Board practices," and stressed "Trustee Financial Responsibilities" (the fiscal environment, budgets and budgeting, fiscal management policies, monitoring fiscal status, and a glossary of financial terms).

Other key topics Mr. McGinnis reviewed and stressed are as follows:

- Work as a team and develop trust and respect
- Focus on purposes, resources, and effectiveness
- The CEO is responsible for getting the right information at the right time to the Board in order to perform its duties
- An individual trustee is not there to represent his/her profession or a single/special interest; has no authority as an individual trustee to lead and direct; cannot make promises as an individual trustee for the board or the district/colleges
- The Board establishes policy including mission, vision, and goals
- Hold the CEO accountable because the CEO is the only employee of the board
- Detailed review of the financial responsibilities of the Board (annual budget, know the major sources of income, know the major expenditures, reserves, require monthly reports and quarterly reports, set quarterly benchmarks, keep on top of the annual financial audit)
- Review of other resources: Facilities condition index and Master Plan; Human Resources/ Succession Planning; Technology Resources/ Plan for Replacement and Innovation; Educational Master Plan and Budget; Investment of reserve funds.

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Also, as noted in the response to (2010) Recommendation 3 above, the Board , on July 20, 2010, adopted a Community College League of California document, "Board and CEO Rules: Different Jobs, Different Tasks" (2000). Throughout the document, there are charts listing the "Board Role and Tasks" and the "CEO Roles and Tasks."

As noted in the response to (2010) Recommendation 3, the Board agreed to a training workshop set for September 14, 2010. Dr. Cindra Smith, on behalf of CCLC, led the training workshop and addressed these nine 2010 recommendations which reference the Board. The Board President and Chancellor will work to conduct Board trainings on a quarterly basis in an effort to continue to address these ACCJC recommendations. The Board members acknowledge the value of Board training, especially when the training facilitates dialogue among themselves regarding their role and responsibilities. The Board members also noted that while they do an annual self-assessment, that they probably need to allocate more time to reviewing the self-assessment to ensure that they are adhering to the "role and functions as it relates to District policy and operations."

The President of the Board and Chancellor will work to revise Board Policy 1.05, Duties and Responsibilities of the Board of Board members. Also, as noted in the response to recommendation 3, the Board agreed to revisit Board Policy 1.21 regarding Board committees and to follow the annual process specified in the policy.

(2010) 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.* (Standard IV.B.1, IV.B.1.j)

Response

As noted above, on June 10, 2010, Mr. Bill McGinnis from the Community College League of California provided a training workshop for the Board. Mr. McGinnis reviewed the "Ground rules when meeting as a Board," addressed "Effective Board practices," and stressed "Trustee Financial Responsibilities" (the fiscal environment, budgets and budgeting, fiscal management policies, monitoring fiscal status, and a glossary of financial terms). See the response to (2010) Recommendation 4 for additional information.

In a May 25, 2010 board resolution, the Board unanimously agreed that "future trainings, joint workshops will occur to review and better understand the Accreditation Standards and Eligibility Requirements of ACCJC related to Board and management goals, responsibilities, and the PCCD mission statement."

Also, as noted in the response to (2010) Recommendation 3 and 4, the Board , on July 20, 2010, adopted a Community College League of California document, "Board and CEO Rules: Different Jobs, Different Tasks" (2000). Throughout the document, there are charts listing the "Board Role and Tasks" and the "CEO Roles and Tasks."

As noted in (2010) Recommendation 3 and 4, on September 14, 2010, Dr. Cindra Smith, on behalf of CCLC, conduct a Board training workshop and in the course of the training addressed all nine of the 2010 ACCJC recommendations. The dialogue regarding recommendation 5 addressed *"*the role of the board and how it serves its trustee role for the good of the District." They acknowledged the need to keep the district's strategic goals as their focus and in so doing they should build community connections, assist in raising money for the district, stay focused on effective governance of the district, be a champion for the district, emphasize the need for the district to reach out to the underserved, and to annually evaluate their performance and the results of their efforts. Dr. Smith emphasized that the Board is not "a Super CEO."

As stated above, the Board members agreed to follow Board Policy 1.21 regarding Board committees. Also, the Chancellor is working to revise Board Policy 1.05, Board Duties and Responsibilities, in order to assure that the policy only addresses the appropriate role of the Board.

(2010) 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.* (Standard IV.B.1,e; IV.B.1.h)

Response

In a May 25, 2010 resolution, the Board made the following commitment: "It is recommended that the Board policy review committee agendize a Board Policy on Board Code of Conduct to make certain that the Code is consistent with the intent and spirit of the ACCJC Standards and Eligibility Requirements and promotes the welfare of the Peralta district and its colleges."

At the July 20, 2010 Board Policy Review Committee meeting, the committee members discussed "conduct rules" including conflict of interest code (citing the Political Reform Act and the Fair Political Practices Commission regulations), code of ethics, and values statement. There is a current Conflict of Interest Code policy (BP 6.86) and a Board members Code of Ethics and Behavior (BP 1.06). The Code of Ethics provides specific language taken from Accreditation Standards, California Government Code and Education Code. The Policy Review Committee wishes to revise and strengthen the current policy.

The Chancellor and the President of the Board will review Board Policy 1.06, Board of Board members Code of Ethics and Behavior, and have dialogue with the Board members regarding the policy requirements as a way of maintaining awareness of this policy and its importance. At the September 14, 2010 training, the Board members agreed that the within the annual Board self-evaluation they should evaluate themselves in keeping with the code of ethics.

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(2010) 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. (*Standard IV.B.1.j)

Response

As noted above, at the July 19, 2010 meeting, the reorganization chart presented to the Board proposed that the inspector general report directly to the Chancellor instead of the Board. The following evening at its regular public meeting, in a show of support for the new Chancellor and sensitivity to the concerns of the ACCJC, the Board voted unanimously to approve the proposal, thereby ending a long-standing governance issue. Henceforth the IG will report directly to the Chancellor, and will be assigned duties and evaluated by him.

This recommendation has been resolved; the Inspector General reports to the Chancellor.

As noted above, at the September 14, 2010 training, the Board reaffirmed that the Inspector General reported directly to the Chancellor.

(2010) 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.* (Standard IV.B.1.j)

Response

As noted above in the response to (2010) Recommendations 3, 4, and 5, the Board , on July 20, 2010, adopted a Community College League of California document, "Board and CEO Rules: Different Jobs, Different Tasks" (2000). Throughout the document, there are charts listing the "Board Role and Tasks" and the "CEO Roles and Tasks." The Board has agreed to use this document as a means to distinguishing the roles and responsibilities of the Board from those of the Chancellor.

As noted in (2010) Recommendation 5, the Chancellor is working to revise Board Policy 1.05, Board Duties and Responsibilities, in order to assure that the policy specifically addresses the appropriate role of the Board.

The training on September 14, 2010 conducted by Dr. Cindra Smith from the Community College League of California addressed the role of the Chancellor and the role of the Board.

(2010) 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*

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responsibility and authority for the areas assigned to district oversight. (Standards IV.B.3.a-g)

Response

On July 19, 2010 in the special workshop for the Board, the Board agreed that the college Presidents directly reported to the Chancellor and that it would not consult the college Presidents without explicit permission from the Chancellor. On September 14, 2010, Dr. Cindra Smith of the Community College League of California addressed this recommendation and the essential need for the Chancellor to take full responsibility and authority for the areas assigned to district oversight which included being the direct liaison with the college Presidents. It was acknowledged that because of the position and authority of a Trustee, that when direct contact is made with college Presidents to make inquiries or gain additional information, that in most case the Presidents "drop everything" and attend to the Trustee's request. Once again it was reinforced that the Board members should make all requests to the Chancellor and allow the Chancellor to determine the best and most effective way to obtain the requested information.

In keeping with Board Policy 1.21 regarding Board committees, as noted above, even Board committees should not assume direct contact with college Presidents.

There is recent evidence from the Board of renewed commitment to adhering to working directly with the Chancellor who is responsible for carrying out Board policies and providing the leadership for the day-to-day work of the district service centers and the four colleges. In the dialogue during the September 14, 2010 training, the Board readily acknowledged that they wanted to work directly with the Chancellor and to place their trust in the Chancellor.

At the September workshop conducted by Dr. Smith, interim Chancellor, Dr. Wise Allen, after listening to the Board dwell on past failures, urged members to "Turn the page." The Board agrees; it is indeed time to move on as a team and together restore public confidence in district leadership.

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Documents

1.1 a-f PBI: Survey and Survey Results evaluating the first year of the PBI process (5 files)
2.1 PBI: Process Team Agenda: 6/21/10
3.1 a-b PBI Short-term Goals
4.1 All PBI documents for the work of 2009-2010 can be found at: http://eperalta.org/wp/pbi/about/ (binder available onsite)
5.1 All PBI documents for the work of 2010-2011, including Summit 2010, can be found at: http://eperalta.org/wp/pbi/ (binder available onsite)
Includes: PBI Overview; PBI Timeline and Goals; PBI Meeting Calendar; PBI Short-Term Goals and Objectives; PBI Committee Membership; Peralta ACCJC Report; District-wide Strategic Plan; District-wide Educational Master Plan; Unit Plan Samples; Program Review Sample; Program Review Summaries from the four colleges; PBI Survey Questions; PBI Survey Summary.
6.1 a-b GB: May 25, 2010 agenda: Change in General Counsel's Job Description
7.1 a-f GB: June 10, 2010 Training agenda, for accreditation purposes (6 files)
8.1 a-b GB: Board Resolution regarding differentiating Board and CEO Roles
9.1 GB: July 20, 2010 Meeting Minutes – resolve that the Inspector General reports to the Chancellor
10.1 GB: Resolution 09/10 52 – addressing Board Code of Conduct Policy and Board Training
11.1 GB: Board Policy 1.06: Board of Trustees Code of Ethics and Behavior (last reviewed December 2008)
12.1 GB: Board Policy 1.05: Duties and Responsibilities of the Board of Trustees (last reviewed September 2008)
13.1 GB: Proposed revision to Board Policy 1.05: Duties and Responsibilities of the Board of Trustees
14.1 GB: Board Presentation on Organizational Restructuring of the District Office, July 19, 2010
15.1 GB: Board Policy: 1.21 Board Committees
16.1 GB: Board of Trustees Special Training Workshop agenda, September 14, 2010
17.1 GB: Worksheet from the September 14, 2010 Board Training
18.1 a-b GB: Policy Review Committee Agenda and Minutes, July 22, 2010
19.1 GB: CCLC Report on the 9-14-10 Board Training

20.1 Manual of District Functions or District Function Guide

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Response to 2009 Recommendation 2

2009 Team Recommendation 2. *Management Systems*: The team recommends that the District immediately resolve the functional issues associated with the implementation of the district-wide adopted software management systems for student, human resources, and financial aid administration. (Standards III.C.1.a, III. C.1.c, III.C.1.d, and IV.B.3.b)

Response

The response to this recommendation in the March 15, 2010, Follow-Up Report provided a detailed analysis of the process that was used for implementing the non-financial modules of the PeopleSoft enterprise management system (the focus of this recommendation). While the financial modules were implemented in 2005, the non-financial modules were initially implemented in November 2007, with student enrollment "going live" on April 3, 2008. The process for implementing the PeopleSoft Student Administration system was definitely a better process, when compared to the implementation of the financial management system. The process for implementing the non-financial modules included a "Fit Gap" analysis, Business Readiness Teams, use of a change management consultant (RWD), staff development day presentations, and regular and ongoing training. Many agreed that this more structured approach led to far less issues and problems from those that were experienced in implementing the financial management system. Simply put – there was a defined and well-thought out process for implementing the non-financial modules of PeopleSoft (the Student Administration system.)

Business Readiness Teams (BRTs) were critical to implementation. The BRTs purpose was to design and validate changes to existing business processes; conduct impact assessment and change plans; test the application thoroughly to ensure operability; prepare "super users" within the organization; prepare for production cut-over and go-live; ensure post-go-live support was in place and was working; assess and resolve risks throughout the project; and be the voice or advocate of each business area (Admissions and Records, Course Scheduling, Financial Aid, Student Finance, Instructional Faculty, and Students).

The March 15, 2010 report went on to discuss the process for addressing system functionality and response to issues or needed system functions. In so doing, the report reviewed Human Resources, Student Administration, Business Intelligence/Data Warehousing, and Financial Aid. The Financial Aid section detailed the functions which have been centralized to ensure better accountability and consistency in financial aid practices.

The March 15, 2010 report stressed that this implementation process was more systematic and process driven. A change management group guided the implementation of a different work structure. The process prior to implementation was discussed with administrators and key faculty and staff in a variety of training opportunities. A "team" structure was created and a process scorecard was utilized. The process addressed all

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issues and "problems" immediately, a spreadsheet of issues and areas to be addressed were documented, a timeline was set, and key personnel assigned to find solutions.

In the Special Visit Report (April 19, 2010) which ACCJC sent to the Peralta Community College District on June 30, 2010, it states that "the team met with District staff from the information technology and student services areas to discuss the implementation of the student system and how it interfaces with the financial system. The District implemented the student system after the financial system and has been much more successful in its implementation by addressing issues that were raised during the implementation of the financial system. The District applied better business practices in implementing the student system by initiating training, establishing procedures, and running tests prior to implementation" (p. 8).

In responding to this recommendation in the March 15, 2010 Follow-Up Report, specific actions were cited in order to improve the PeopleSoft Management System with a focus on the Student Administration modules. These actions are as follows:

(1) "The Associate Vice Chancellor of IT will re-establish and re-energize the Business Readiness Teams (BRTs). The Associate Vice Chancellor of IT will work with each administrator who facilitates a BRT to move "issues" from the BRT to the PIT (Project Integration Team). Further, the Business Readiness Teams will provide input on the data from the district functionality survey, as well as identify other "issues" not identified in the survey."

(2) "The Associate Vice Chancellor of IT and the Associate Vice Chancellor of Student Services will re-formulate the Project Integration Team and re-establish the link between the PIT and the BRTs. The two associate vice chancellors will facilitate review of the issues identified in the functionality survey and through the PIT and BRTs will not only document the identified issues, but also prioritize those issues. Further, the status of identified issues will be communicated throughout the district."

In the next section, PeopleSoft Resolution Team: Organizational Structure, Roles, and Responsibilities for Resolution of PeopleSoft Integration and Implementation, information is provided explaining the implementation of these two actions. (44.2)

(3) "The Associate Vice Chancellor of IT, with the support of the district, will hire up to three (3) in-house programmers in order to insure that all functionality issues can be addressed and resolved."

As of October, 2010, the District Office of Information Technology now has on staff six functional/technical analysts and a dedicated programmer who are assigned to working with the PeopleSoft modules (Finance, Human Resources, and Student Administration & Financial Aid). With the increase in staff in the Office of Information Technology and each focusing on specific PeopleSoft modules, it is anticipated that the system will be upgraded and improved, using an appropriate and reasonable timeline.

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(4) "The administrators of the four colleges will establish a communication process to inform all college constituencies as to action taken to identify and resolve PeopleSoft functionality issues."

The communication process requires administrators, faculty, and staff, who are part of the PeopleSoft Resolution Team process (which is explained in the next section), to take back information to their college constituencies. Further, this year there will be ongoing update reports filed with the District Education Committee and the District Technology Committee and posted to a website (http://eperalta.org/wp/prt).

PeopleSoft Resolution Team: Organizational Structure, Roles, and Responsibilities for Resolution of PeopleSoft Integration and Implementation

To those who are involved in resolving non-financial system modules "issues" and enhancing the system by adding additional functions, it is clear that the process used by the change management consultant, RWD, was a good approach to ongoing review, assessment, and improvement. As a result, the PeopleSoft Integration Team (PIT), established by RWD, recommended a restructuring of the "resolution process" and endorsed upgrading the organizational structure, as well as the policies and procedures.

Background: In the restructuring process for "resolving" end-user issues and needs, it has been decided to change the PeopleSoft Integration Team (PIT) to the PeopleSoft Resolution Team (PRT). A name change alone signals change in approach and the focus is on "resolutions". Further, the new PRT will be chaired by the Vice Chancellor of Educational Services in order to better coordinate the approach IT will take in responding to issues or needs of the end user. (The Associate Vice Chancellor of IT reports to the Vice Chancellor of Educational Services.) The PRT will expand upon the work of the PIT. The PIT was established as a coordinating body that identified critical implementation functions and monitored implementation of the Student Administration System. PIT was comprised of representatives from stakeholder groups (Business Readiness Teams) organized around key process areas. The original BRT's, as noted before, included Admissions & Records, Counseling, Scheduling, Financial Aid, Student Finance, Instructional Faculty, and Students.

The PIT created an "Issues Log" that was designed to track the projects and tasks needing resolution. While the Issues Log has been in place since 2008, it is only now with the addition of new permanent Technical/Functional Analysts in the Office of Information Technology that "real" timelines for resolution or further implementation of the system can happen.

While the original BRTs continued to meet, a few only met occasionally (such as the Instructional Faculty BRT) given the lack of sufficient IT staff to address issues or needs in a timely manner. At this point in time, the BRTs will become the PeopleSoft

Functionality Teams (PFTeams). The original teams will continue, and groups which already meet will be added to this process (i.e., Human Resources, Finance, Matriculation, and Library) in order to ensure that all end users are represented in this process. The addition of new programmers in district IT will greatly assist in resolving the needs of the various constituencies.

Guiding Principles and Accountability in the improved process: The following eight principles are central to this process.

1. Educational planning is the foundation of all decision-making.
2. Communication flow regarding priorities, recommendations, and decisions will be transparent and logical.
3. The role of the PeopleSoft Resolution Team and the constituency subcommittees is to provide an organizational structure that assures consistency with decision-making and accountability.
4. The PeopleSoft Resolution Team has authority to make recommendations to the Vice Chancellor of Educational Services (chair of the PRT), the Vice Chancellor of Finance, and the Chancellor.
5. As per existing PCCD policies and procedures, the Vice Chancellor of Educational Services, the Vice Chancellor of Finance, and the Chancellor will provide responses to PRT if recommendations are not adopted or if recommendations are substantively modified.
6. All meetings, recommendations, and decisions, will be documented and publicized, using all available means, including a website.
7. Accountability mechanisms, self-assessment, and process improvement are integral to continued successful implementation and upgrading of the system. Therefore, at the end of each year, the PRT will be reviewed and evaluated, and any needed improvements or refinements will be put forward for adoption by all the various constituencies.
8. The District will provide support for the PeopleSoft Resolution Team. This includes providing appropriate technical and clerical support.

PeopleSoft Resolution Team Charge: The PeopleSoft Resolution Team will meet on a monthly basis to:

- Identify and prioritize the ongoing and new functionality issues or needs
- Create an ongoing "Issues Log" (which will be detailed later in this response) (40.2 a-f)
- Monitor the resolution of the identified issues
- Create timelines and accountability measures for the resolution of the identified issues
- Communicate priorities to the Office of Information Technology, Office of Educational Services, the Office of Finance, and the Chancellor
- Receive status reports from the Office of Information Technology
- Make monthly reports to the Vice Chancellor of Educational Services (chair of the Team), the Vice Chancellor of Finance, the District Education Committee, the District Technology Committee, and the SMT
- Develop a communication plan for sharing information District-wide that includes a website and regular progress reports

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- Develop a training plan based upon the needs identified by the PeopleSoft Functionality Teams
- Create a self-assessment and program improvement process for the PeopleSoft Resolution Team and its subcommittees.

PeopleSoft Resolution Team Membership:

- Chair: Vice Chancellor of Educational Services (with the assistance of the Associate Vice Chancellor of IT and the Associate Vice Chancellor of Academic Affairs)
- Administrative Leads for each of the twelve (12) PeopleSoft Functionality Teams (identified below)
- District Academic Senate President (or representative)
- District Classified Senate President (or representative).

PeopleSoft Functionality Teams and Charge: PeopleSoft Functionality Teams are constituency based and comprise the following areas:

- Admissions and Records
- Budget/Finance (for the interface with the Student Administration system)
- Counseling
- Financial Aid
- Human Resources
- Institutional Effectiveness
- Instructional Faculty
- Library
- Matriculation
- Scheduling
- Student Finance
- Students

Each PeopleSoft Functionality Team will meet on a monthly basis, or as needed, with a minimum of two meetings per semester to:

- Identify and prioritize functionality issues and needs related to their area of operation
- Monitor the resolution of identified issues and needs
- Provide recommendations to the Office of Information Technology and the PeopleSoft Resolution Team (PRT)
- Communicate information to their constituencies
- Record and distribute minutes of their meetings
- Post meeting agendas and minutes on the website. http://eperalta.org/wp/prt

The membership of the PeopleSoft Functionality Teams is as follows:

- Admissions & Records: Lead Admissions and Records staff person from each college, the District Director of Admissions and Records, and the Vice Chancellor of Student Services (chair)

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- Budget/Finance: Business Office Managers from each college and the Associate Vice Chancellor of Finance (chair)
- Counseling: One counselor from each college and a Vice President of Student Services (chair)
- Financial Aid: A financial aid representative from each campus and the district-level Director of Financial Aid (chair)
- Human Resources: One representative from each – payroll, benefits, human resources; Director of Human Resources; Vice Chancellor of Human Resources (chair)
- Institutional Effectiveness: One representative from each college and the Associate Vice Chancellor of Academic Affairs (chair)
- Instructional Faculty: One instructional faculty representative from each college and a Vice President of Instruction (chair)
- Library: Head Librarian from each college and a Vice President of Instruction (chair)
- Matriculation: The matriculation counselor at each college, Office of Educational Services Curriculum & Systems Technology Analyst, the Vice Chancellor of Student Services, and a Vice President of Student Services (chair)
- Scheduling: Program specialist from each college, Office of Educational Services Curriculum & Systems Technology Analyst, and a Vice President of Instruction (chair)
- Student Finance: the bursar from each college and a Business Office Manager (chair)
- Students: Associated Student President from each college, PCCD student trustees (2), a Vice President of Student Services (chair).

Regarding these PeopleSoft Functionality Teams, the following should be noted:

- The **Financial Aid** team meets regularly, continues to improve the financial aid process, has centralized specific services, and has drafted a Procedures Manual and Student Handbook (9.2, 14.2 a-b);

- The **Counseling** team during the academic year has met monthly and has a defined list of deliverables (i.e., a degree audit function) that will be addressed in 2010-2011;

- The **Human Resources** team meets monthly with an Office of IT programmer and there is ongoing progress; the new Vice Chancellor of Finance and the Vice Chancellor of Human Resources are meeting to itemize system upgrades and improvements for 2010-2011; the current focus is on the full utilization of the position control module, accounting accrual actuals, and benefit encumbrance.

- The **Library** faculty for years have held monthly district-level meetings to coordinate their efforts; this existing group will provide feedback regarding their use of the PeopleSoft system;

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- The district-level **Matriculation** Committee has been meeting since the early 1990s and continues to meet monthly; this existing group is providing feedback on functions needed in the PeopleSoft system (functions that were not possible in the Legacy system); and there is overlap with the Counseling team;

- The college **Schedulers** since 2007 have met regularly with the Office of Educational Services Curriculum & Systems Technology Analyst to improve the scheduling functions and to fix "glitches";

- **Student Finance:** while a district-level team has not been meeting regularly, nevertheless the district hired a CIBER programmer (consultant) who has upgraded the student finance system and has met regularly with district staff to test the system prior to full implementation;

- **Students**: the coordinator of Student Ambassadors at Berkeley City College regularly attends the PeopleSoft Integration Team meetings and provides feedback from students regarding the PeopleSoft system;

- **Budget/Finance:** with the creation of a Financial Recovery Team and a change in the Vice Chancellor of Finance and the Associate Vice Chancellor of Finance, there are now monthly meetings with the four college business officers; many functions have been moved from the district to the colleges; procedural manuals are being developed; there is a much greater openness to using the expertise of the college business officers;

- **Admissions and Records:** district office staff and college staff meet regularly and in their meetings address any and all issues related to their work using the PeopleSoft system;

- **Institutional Effectiveness**: the new Associate Vice Chancellor of Academic Affairs, who is a skilled institutional researcher, has assisted in making serious improvements to the data warehouse and making it available to the colleges; the goal is to have college representatives provide input on any additional research data which the colleges need; and

- **Instructional Faculty**: while there was a team which met, this team discontinued meeting because of the frustration they experienced in terms of timely resolution of "issues"; with the increase in IT technical analysts and functional analysts, "issues" will be addressed in a reasonable time frame.

<u>Ongoing identification and routing of issues/needs:</u> The PeopleSoft Resolution Team will

- Maintain an ongoing "Issues Log" based upon recommendations from the functionality teams
- Track the number of weeks/months an item remains on the "Issues Log."

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- Send the prioritized "Issues Log" forward to the Office of Information Technology, the Vice Chancellor of Educational Services, the Vice Chancellor of Finance, and the Chancellor for monthly review and feedback
- Create templates for monthly reporting, mechanisms for dissemination of training information, website development for communication.

As noted previously, at the end of each year, there will be a self-assessment process to gain input and to determine ways to improve this process. Given the scope of the PeopleSoft system, there is always the potential that additional modules will be added and existing modules improved.

Issues Log

Key to this improvement process is an "Issues Log." The "Issues Log" was part of the RWD process and has been maintained in an ongoing manner. The "Issues Log" lists the department making the request, the person the "issue" is assigned to, the description of the task, a status report/update, and next steps for uncompleted items. The main problem in the last two years has been the lack of permanent programmers/analysts or technicians in the Office of Information Technology to assist in the resolution of issues and to assist in implementing new functions in the Student Administration system. Now that the Office of Technology, as previously noted, has been able to hire new staff, it is reasonable to assume that "issues" not only will be prioritized, but also addressed over the next several months.

It should be noted that during spring semester 2010, prior to the April ACCJC Special Visit, the then Associate Vice Chancellor of Academic Affairs (now the Vice Chancellor of Educational Services), the Associate Vice Chancellor of IT, and key staff met to document "issues" which have been resolved, since accomplishments tend to get overlooked and remaining "issues" tend to get more focus. The following list itemizes various "issues" or items which have been resolved.

- Modification to the search variables/options for course search in the online class schedule;
- Ability to now identify and notify students with a failed grade in a pre-requisite course in progress;
- Pre-requisite (milestones) link on the Web (realizing it was unrealistic to have a drop down menu with 400 options);
- Sent out information about Peralta student e-mails (now available in the PeopleSoft system, and were not possible in Legacy) and included student e-mail addresses in class rosters;
- Due dates on each class census roster so that dynamically dated classes will file census rosters on time; the goal is to post a calendar on the portal;

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- Decision to not offer variable unit classes given the inability to program them accurately in the system;
- Provided a written explanation of SEOG awards;
- Set meetings with Regent, CIBER, Peralta IT, FAOs, Associate Vice Chancellor of Student Services, financial aid consultant, which eventually led to moving to the SAFE system, which has resolved previous financial aid issues;
- Completed a Financial Aid policies and procedures manual;
- Completed a Financial Aid Handbook;
- Created a list of required documents to collect from Financial Aid students;
- Hired IT programmers;
- Created a demo of PeopleSoft Academic Advisement (degree audit) application to be assessed in 2010-2011;
- Faculty training;
- Add Card procedures;
- High School concurrent enrollment and process in PeopleSoft;
- Send out a listing of incomplete grade rosters each term;
- Process and system steps for fee collection;
- Training by Web demo on how to create a roll book in Excel;
- Ability to have batch holds on student accounts when Easy Pass fees are not paid;
- Update returning student addresses;
- Accuracy in MIS reports to help finalize the production schedule.

Major accomplishments during Spring Semester 2010 include the following:

- 11 upgrades to student financials
- 11 upgrades and the testing procedure which improved registration, the catalog, scheduling, etc., and added a Textbook tab in scheduling
- BI/Data Warehouse upgrades providing for increased use of data in the PeopleSoft system for research purposes
- Improved use of the drop function for non-completed pre-requisites
- New queries, especially for "special populations", which has enhanced MIS submissions
- Set a separate, user friendly process, for registering Contract Education students and charging them the appropriate fee.
- Set system process for collecting student fees and placing "hard holds" on student records for non-payment.

Two major accomplishments happened during Summer Session 2010:

- Successfully piloted a Wait List function (with electronic permission numbers) which numerous faculty members requested, a function not possible in the Legacy system. This feature will be in full use for Spring 2011 registration.
- Ability to drop "No Show" students prior to census day.

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As can be seen, the district has taken this ACCJC recommendation seriously, and has been committed to implementing the non-financial PeopleSoft modules in a more effective manner and to address end-user needs in the best possible manner.

The new PeopleSoft Resolutions Team, chaired by the Vice Chancellor of Educational Services, met on September 14, 2010 from 9:30-11:00 am. All the administrative leads for the Functionality Teams attended. The meeting times for the various Functionality Teams were documented. The Issues Log was reviewed and amended. The administrative leads were directed to forward additional "issues" for the Log. Note was made of the various issues which have been resolved. There was an initial prioritization of existing items. That prioritization list was five (5) items: the PeopleSoft process for academic probation, progress probation, and dismissal; implementation plan for an online Personnel Action Request form; moving SARS data into PeopleSoft; combining three (3) transcript queries into one similar to the /THD function in the Legacy system; and creating online roll books. The next meeting will happen on November 9, 2010 from 9:30-11:00 am.

As noted at the beginning of this response, the Special Visit Report (April, 2010) which was sent to the Peralta Community College District on June 30, 2010, made the following comment: "the team met with District staff from the information technology and student services areas to discuss the implementation of the student system and how it interfaces with the financial system. The District implemented the student system after the financial system and has been much more successful in its implementation by addressing issues that were raised during the implementation of the financial system. The District applied better business practices in implementing the student system by initiating training, establishing procedures, and running tests prior to implementation" (p. 8).

The goal is to have the next ACCJC visiting team confirm/affirm the previous team's assessment. It is further hoped that the next visiting team will have the time to gain a clear picture of how much effort has taken place and continues to take place to make the PeopleSoft Student Administration system an effective tool for end users.

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Documents

1.2 a-c COUN: Meeting Summaries: Nov/Dec ’09, 2/24, 3/24
2.2 COUN: Counseling Issues Log (March 29, 2010)
3.2 COUN: Listing of priorities for implementation in the PeopleSoft system
4.2 COUN: Counseling FAQ for PeopleSoft
5.2 COUN: Online Services Grid
6.2 COUN: Pre-requisite list for PeopleSoft Milestones.

7.2 BI Specs: Board renewal of Bob Barr’s contract
8.2 BI Specs: Board renewal of Wisdom Info Tech contract

9.2 FA: PCCD Financial Aid Policies and Procedures Manual (May 2010)
10.2 FA: Board renewal of Hicks Consulting Group Contract (March 2010)
11.2 a-b FA: Board renewal of Michel Matthews Contract (March 2010: two documents)
12.2 FA: Centralized Financial Aid Proposal
13.2 JD: Director of Financial Aid Job Description (closed April 13)
14.2 a-b FA: District Student Financial Aid Handbook; Financial Aid Procedures – Laney College
15.2 FA: VC Wise Allen Memo Centralizing Financial Aid (2/3/10)
16.2 FA: SAFE Implementation Fit/Gap Analysis
17.2 a-d FA: Financial Aid Meeting Agendas: 2/5, 3/4, 4/1
18.2 FA: SAFE contract renewal (3/9/10)
19.2 FA: Fit/Gap Analysis: Functions to be Implemented (3/27/10)
20.2 FA: Status Update for Fit/Gap Analysis (3/10/10)
21.2 a-b FA: SAFE Web Project Status Update (3/18/10)

22.2 HR: Meeting agenda: 12/10/09
23.2 a-f HR: Meeting minutes: 3/11. 4/8, 5/13, 6/10, 8/12, 9/9
24.2 HR Resource Plan listing some PeopleSoft functionality needs
25.2 a-g HR: CIBER plans for full utilization of position control module, accounting accrual actuals, and benefit encumbrance; and enhancements
26.2 HR: Meeting minutes regarding fringe benefits (HR and payroll)

27.2 JD: Director of Enterprise Services Job Description
28.2 IF: Census Roster Procedures (summer 2010: sample)
29.2 IF: Procedures for Adding Classes (spring 2010: sample)
30.2 IF: Attendance Verification Procedures (spring 2010: sample)
31.2 IF: Final Grade Rosters Procedures (spring 2010: sample)
32.2 IF: Wait List Procedures: Permission Numbers (summer 2010: sample)
33.2 IF: Wait List Procedures (summer 2010: sample)

34.2 a-c MC: Meeting Agendas: 2/19, 3/19, 5/21
35.2 MC: Online Services Grid
36.2 MC: SARS Grid data request
37.2 MC: Laney College Online Student Support Services Plan

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38.2 a-g PRT: PeopleSoft Resolutions Team: Agendas: 2/16, 3/2, 3/16, 4/20, 5/4, 5/18, 6/1
39.2 JD: Application Software Analyst Job Description
40.2 a-f PRT: Issues Log (5 different iterations)
41.2 PRT: HS Concurrent Enrollment Letter
42.2 PRT: IT Update Memo from Dr. Allen (2/5/10)
43.2 PRT: Progress Report, 3/1/10
44.2 PRT: PeopleSoft Resolution Team Manual and AP (fall 2010)

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Response to 2009 Team Recommendation 3

2009 Team Recommendation 3. *Financial Resources and Technology:* The team recommends that the district take immediate corrective action to implement all appropriate controls and necessary MIS systems modifications to achieve access to a fully integrated computer information management system, including modules for student, financial aid, human resources, and finance, in order to assure financial integrity and accountability. All corrective action and system testing should be completed within two years and the governing board should receive regular implementation progress reports until project completion. (Standards III.D.1.a, III.D.1.b, and III.D.2.a).

Response

The Peralta Community College District is taking immediate steps to implement appropriate controls and MIS system modifications in addressing the financial resources and technology recommendations cited in the 2008-2009 independent audit and deficiencies noted in the ACCJC June 30, 2009 and 2010 review letters. 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 Peralta Community College District's Corrective Action Plan (Appendix B). This Corrective Action Plan includes a timeline, an accountability focus, and the stated recommendations. This Corrective Action Plan in part will be used to update ACCJC, the State Chancellor for California Community Colleges, and the Peralta Community College District, specifically the Governing Board, the district Planning and Budgeting Council, the District Academic Senate, and the Strategic Management Team. As part of the accountability focus and open communication, the district administration will provide regular reports to the Governing Board.

Update on Audit Findings in the April 1, 2010 Special Report

A Corrective Action Plan Matrix has been developed to track each Independent Audit recommendation. The Corrective Action Matrix (Appendix B) was developed to help guide and track the Peralta Community College District's overall recovery relative to the Audit recommendations, Grand Jury Recommendations, and ACCJC's recommendations. The various corrective action recommendations from these three agencies are incorporated into the Corrective Action Matrix. The Corrective Action Matrix provides clarity, focus, and accountability for the Peralta Community College District in the following categories:

- Auditing/Agency
- Corrective Action
- Responsibility/Point
- Due Date
- Status

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- Institutional/Source Integration

The Corrective Action Matrix will continue to evolve as known and unknown variables change during recovery. The Corrective Action Matrix will be used to covey accurate and timely information to the Peralta Community College District Governing Board, students, faculty, staff, administration, ACCJC, the State Chancellor's Office for California Community Colleges, and the Peralta community. It also will 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 Corrective Action Matrix will be placed on the Peralta Community College District website. The Corrective Action 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 Peralta Community College District will focus its resources on achieving objectives that progress toward fulfilling the recommendations and established goals.

Reporting Requirement 1: Other-Post Employment Benefits (OPEB) Liabilities. *The Commission requires the District to provide an update on the value of the Deferred Compensation Trust Fund and that the District describe its plans to pay for the growing long-term debt. The District should specifically address whether the reported unrealized losses have been reduced as a result of market improvements since December 31, 2008, or if losses on investments continue to occur and if so, how will the losses impact long-term debt of the District. (Standards III.D.2.d and IV.B.3.d)*

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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 Peralta Community College District to discern the actual impact due to the recent turnover in the CFO position. However, it has become clear at this time that a serious issue has developed with the fund. Specifically, the long term debt related to the OPEB bonds issued has risen from the original $153,000,000 to approximately $185,000,000 at the end of fiscal year 2010. Further, the market value of the investments held is approximately $145,000,000 (compared to $128.5 million as of 6/30/09). The District 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 the District. Also review the district Recovery Plan in Appendix A of this report.

Reporting Requirement 2. The District's Internal Control Structure. *The Commission asks the District to provide an update on its actions taken to address the following findings reported in the audit report. (Standard III.D.2, Standard III.D.2.d)*

a. 2008-1 Oversight and Monitoring.
The District is to provide the Commission with additional information about actions taken to implement the audit recommendations reported in 2007 that remained in 2008. (Standard III.D.2, Standard III.D.2.d)

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Response

As referenced above, a Corrective Action Matrix (see Appendix B of this report) has been developed to track each Independent Audit recommendation. The Corrective Action Matrix was developed to help guide and track the Peralta Community College District's overall recovery relative to the audit recommendations (3.3), grand jury recommendations, and ACCJC recommendations. The various corrective action recommendations from these three agencies are incorporated in the Matrix. The Corrective Action Matrix provides clarity, focus, and accountability regarding the audit findings and recommendations.

The Corrective Action Matrix lists each audit finding/corrective action and establishes an individual who is responsible for the general adherence and a point person responsible for implementation of the corrective action. The Matrix provides for a status column, as well as a focus on the effective date of implementation. The Corrective Action Matrix provides for a 30, 60, 90, and 120 day status report to the Board Audit and Finance Sub-Committee and the district's Governing Board.

In addition to development of the Corrective Action Matrix, the district is in the process of filling four critical positions that will greatly improve the internal controls within the accounting, budgeting, and auditing functions. The first position is the Internal Auditor. This position will aid the district office and colleges in correcting audit findings, identifying additional weaknesses within the existing internal control structure, and assist with the creation and revision of policies, administrative regulations, and procedures. The second position is the Associate Vice Chancellor of Finance. A college business manager currently is in an acting capacity in this position and the position is in the process of being filled through the standard recruitment process. One of the primary objectives of this position will be to assess the department and establish standard operating procedures related to accounting functions. The third position is the Budget Director. This position will be responsible for ensuring the district complies with statutory requirements concerning budget development and adoption. The Budget Director will be vital in assuring departments and divisions spend within their allocated budgets. The last position is the Systems Analyst. While this position reports directly to the Associate Vice Chancellor for Finance, this person will work collaboratively and closely with the bursar's office at each college and the Office of Admissions and Records to improve the accuracy of transactions recorded and communication.

b. <u>2008-2 Financial Accounting System Procedures.</u>
The Commission asks the District and each College to provide information about the actions taken to ensure all transactions are recorded and what activities are now occurring to ensure all transactions are reported and that the financial statements provided to the Commission are accurate. (Standard III.D.2, Standard III.D.2.d)

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Response

The Peralta Community College District recently hired an interim Systems Analyst to ensure all transactions are recorded properly in the financial system. The district is in the process of filing this position and expects to have the position filled permanently by the end of December 2010. The interim Systems Analyst is working with the bursars at the four colleges and the Office of Admissions and Records to improve the district's transactions and recorded activities.

c. 2008-3 Information Systems.
The Commission asks the District and each College to provide a report on action taken to determine that accounting transactions are appropriately recording financial, procurement, and payroll transactions. (Standard III.D.2.g)

Response

The Peralta Community College District provided a basic accounting workshop on September 21, 2010 (32.3) for all college business managers and accounting staff to focus on basic accounting principles. There was focused attention on year-end closing procedures and categorical funds relative to adhering to appropriately recorded financial, procurement, and payroll transactions, as well as the California Community College State Chancellor's Office Budget and Accounting Manual (BAM).

In addition to providing and focusing on training for selected staff, the district is in the process of developing certain modules and processes within the budget and finance component of PeopleSoft that will greatly aid in providing timely and accurate financial information for all stakeholders. An example of such efforts is the integration of the position management function in PeopleSoft (HR) and budget (Finance). Currently, approximately 80% of the General Fund Unrestricted is devoted to salaries and benefits of employees. For the 2010-2011 budget development cycle, because the communication between position management and budget did not exist, all of the salary and benefit budgets were developed through a very manual and cumbersome process using Excel and often caused confusion between the colleges and the district office. It is anticipated that integration will be complete in early November (2010) and in time for the start of the 2011-2012 budget development cycle.

Other examples of system improvement include benefit mapping of payroll expenses to the general ledger, budgeting for federal, state, and local revenues, and fiscal year end closing procedures built within PeopleSoft.

d. 2008-8 Bursar's Office and Trust Fund Activity Reporting Changes.
The Commission requests Laney College provide an update on changes that have occurred to correct internal control weaknesses and action taken to implement appropriate separation of duties, an accounting system that correctly captures revenues and classifies them as such, and action taken to ensure there is adequate oversight of expenditure decisions and transaction processing. (Standard III.D.2.c, Standard III.D.2.d, Standard III.D.2.e)

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As a result of Laney College's reported weaknesses in the internal control structure related to Federal funds, the Commission requests that Laney College, in cooperation with the District, provide information about its Student Financial Aid processing and specifically whether the weaknesses reportedly occurring in the Bursar's Office also exist in the accounting and reporting of Student Financial Aid. (Standard III.D.2.d)

Response

The following was the information provided in the April 1, 2010 Special Report sent to ACCJC.

The Laney College Business Manager (who is now the acting Assistant Vice Chancellor of Budget and Finance) provided the following information regarding this specific audit finding.

On April 2, 2009, the independent auditor agreed that the resolution had been implemented and stated "the District Business Office has instructed each College campus that all grant revenue (Federal, State, or local) must be forwarded to the District Office for recording within the books and records of the District. The instruction noted that the authority to bind the District through contracts with other agencies rests with Executive Management at the District Office. Through discussion with the College Business Manager, this revenue was again received in 2008-2009, and the funds have been forwarded to the District Office for proper accounting. Continued testing at all College locations will occur within the 2008-2009 audit year."

The Laney College Business and Administrative Manager instructed all Bursars' Office staff not to accept for posting any checks from state or federal entities. This directive was done in writing and posted on the wall in the office. The Business Manager also instructed the Laney College community and all management at Laney College that no checks from state or federal entities were to be deposited in college accounts. All checks of this nature are to be reported to the District Office. If anyone was uncertain if revenue was of this type, they were to request help from the Laney College Business Manager.

In response to the audit finding that stated that Laney College had netted revenues and expenditures resulting in the elimination of an audit trail that could have been used to determine the accuracy of the Schedule of Expenditures of Federal Awards, the Business Manager worked with programmers to create a report that shows income and expenses for each trust fund. This report is now being used at all campuses and was provided to the external auditors for the 2008-2009 audit.

As to the question regarding Laney College Student Financial Aid, the Laney College Financial Aid Supervisor provided the following information. It should be noted that PCCD has centralized certain financial aid functions district-wide and as a result the Laney College Financial Aid Supervisor as of 1/26/10 is now also the acting district Director of Financial Aid. The district office concurs with the following assessment.

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Based on the last two independent audits of the Laney College Financial Aid Office, there were no significant findings relating to the processing or reconciliation of financial aid funds. Further, processing verification findings found "zero" errors; no institutional liability; and no refund to the United States Department of Education (USDE) for inaccurate processing reconciliation.

It is true that with reconciliation, the independent external auditors found late submission of COD (Common Origination and Disbursement) Pell data due to the failure of the Regent financial aid system to configure Pell reconciliation transmission requirements within the 30-day time requirement from date of disbursement to date of reconciliation to COD. However, once the Laney College Financial Aid Office returned all financial aid data from the Regent system to the legacy SAFE system, reporting data to COD was restored and in compliance. There was no liability connected to such finding.

In responding to the inquiry regarding Laney Financial Aid processing, it should be noted that Laney College has not had to repay a liability since 1992. That amount of repayment at that time was about $900.

The Laney College Financial Aid Program has gone through two (2) federal program reviews (1992 and 2002), three (3) Educational Fund program reviews (the most recent being 2006), and three (3) CSAC (California Student Aid Commission) program reviews (the most recent being 2003) since 1992. These various program reviews were in addition to the annual independent external audit. All such program reviews determined that the Laney College Financial Aid Program is meeting and exceeding standards.

The Laney College Financial Aid Program has a policy and procedures manual, which is currently being updated. All staff in the Laney College Financial Aid Program adhere to these policies and procedures. The manual outlines critical guidelines such as Satisfactory Academic Progress, determination of eligibility, verification processing, etc. Staff is trained based on these policies (derived from the Federal Financial Aid Handbook) and procedures are followed uniformly.

Additionally, the Laney College Financial Aid Program, like all college financial aid programs, is mandated to publish an annual Student Financial Aid Handbook in order to advise students of their rights and responsibilities. It should be noted that this is a uniform handbook used throughout the four Peralta colleges. The Laney College Financial Aid Program Supervisor, for many years, has been the editor of this handbook. As noted above, the Laney College Financial Aid Supervisor now is also the district acting Director of Financial Aid.

Simply put, given the findings of the various external program reviews and the external audits, the Laney College Financial Aid Program has been assessed as being of high standard and no weaknesses have been found or reported.

The district Director of Financial Aid, added the following to the October 15, 2010 response.

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It should be noted that Financial Aid maintains a separate secure system, apart from the Bursar's Office.

All verification processing, packaging, and ordering of disbursements are performed by Financial Aid through the EMASPRO SAFE system. Financial Aid checks are printed weekly at the District IT department, logged by district Office of Finance staff, and checked to see that data is validated to the County from IT within 24 hours of the check run. Financial Aid checks are delivered to each college Bursar's Office the day after the run by the Alameda County Sherriff's service.

The Bursar and Financial Aid Office receive a warrant register after each check run detailing student ID, fund(s) disbursed, and warrant number. Students must produce valid ID when picking up a check; sign and date the Bursar's warrant register. With each check run, warrant detail is automatically recorded in the Financial Aid SAFE system, student by student against each fund disbursed.

Unclaimed checks or checks ordered to be cancelled by Financial Aid are entered by the Bursar to a SAFE check cancel screen. Cancelled checks are marked void and returned to the district Office of Finance.

This process passed the annual External Audit, as well as Federal and State Program compliance reviews.

The visiting team is encouraged to meet with the Laney College Financial Aid Program Supervisor/ acting district Director of Financial Aid to obtain any needed additional information and documentation.

e. <u>2008-11 Accounts Payable/Purchasing Functions.</u>
The Commission requires that the District describe actions implemented to establish the appropriate separation of duties in the procurement cycle to include the cited weakness in the accounts payable process.

The Commission requires the District to conduct an assessment of the internal control structure for critical non-financial transactions including grade reporting and student record data to determine if additional changes in the internal control structure may be necessary to ensure information regarding student grade reporting and student records are accurate and protected from unauthorized disclosure. (Standard II.b.3.f, Standard iii.D.1.b, Standard III.D.2.g, Standard IV.B.3.d, Standard IV.B.1.b, IV.B.1.c)

Response

The following information was provided in the April 1, 2010 Special Report filed with ACCJC.

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In resolving this audit finding, the Purchasing Department updated and re-issued Standard Operating Procedures #9, Purchasing Procedures, and Standard Operating Procedures #10, Routing of "Pay-to" Requisitions and Invoices. In addition the Supervisor for Accounts Payable and Enrollment Management (confidential staff member) annually conducts an Accounts Payable Workshop at each of the colleges in order to train "requestors" on accounts payable procedures.

At this time, as the independent auditor noted, no purchases or reimbursements can be routed directly to an accounts payable technician. These items must go directly to purchasing department and a specific buyer in the department. Thus the training and the revised procedures and PeopleSoft system controls guarantee that purchasing procedures are never circumvented. Also the Supervisor for Accounts Payable and Enrollment Management does print out a report of Direct Pays on a monthly basis and reviews supporting documentation on a random basis to ensure proper payment.

Information regarding an assessment of the internal control structure for critical non-financial transactions with a specific focus on grade reporting and student record data was provided by the district Admissions Officer and the district Curriculum and Systems Technology Analyst. Given the level of involvement both had in setting up the PeopleSoft Student Administration system which went live in April 2008, both are well informed as to the control structure and the ability to prevent student grades and data from unauthorized access or disclosure.

The Peralta Community College District went live with the PeopleSoft Student Administration System (local name: PASSPORT) on April 3, 2008. Functions in the Student Administration System which are specific to student data are: the admissions module (and the use of CCC Apply), the enrollment module, and the grades module.

During the implementation process prior to the April 3, 2008 "go live" date, an extensive review of security in the district Legacy system took place. Many changes were made in the development of the new security system utilizing the more sophisticated functionality of PeopleSoft to ensure access to student information is protected. For example, this review process included setting greater limits on who can even access student data on a "read only basis" to be in compliance with FERPA regulations and to provide greater security of the information.

Simply stated, access to specific modules in the student administration system is granted upon completion and approval of a "Security Access Request Form". This form must be approved by the user's first level manager. For example, an instructional division dean must approve specific access for an instructional faculty member. This form is then sent to the district office for review and final approval. That final approval typically is conducted by the Admissions and Records Technology Analyst and the Curriculum and Systems Technology Analyst, who are both skilled in determining the needed level of access by an end user. The determination of the necessary level of access is linked to an established "Profile" or "Role" for functional areas throughout the district. For example, there is a Counseling staff profile, a Counselor profile, an EOPS staff profile, an EOPS Counselor profile, a scheduling staff profile, an instructor profile, an instructional dean

profile, etc. The Profiles establish pre-determined and pre-agreed upon levels of access appropriate and necessary to complete the job responsibilities of that profile/role. The role specification is within the PeopleSoft security segment of the system, includes permission lists, shows who has been granted specific permissions, and shows the various levels of permission and access each and every district employee has. If the requested access is not deemed necessary or would violate FERPA regulations, then access is denied. Any question related to accessing student record data or any question regarding access being denied is referred to either the Vice Chancellor for Student Services or the Vice Chancellor of Educational Services for a final determination. Once security access forms are finally approved at the district level, they are sent to the IT Department for system authorization.

An initial area of student data is collected through the application process and the use of CCC Apply. This data is student driven since the student is required to go online, access CCC Apply, and input all necessary data. At any point in time the student determines that she/he has added incorrect information, the only way to correct that information is to come in person to the Admissions and Records Office, complete on site a corrections form, and provide corroborating documentation to establish that the information is incorrect and should be corrected. For example, students who type fast may in fact enter an incorrect number in their social security number, or in "clicking" too fast may enter the wrong birth year, or type an additional letter into their last name. Students are required to provide a California ID or driver's license or passport and a social security card when appropriate to justify the change in student data information. The system does not require a student to submit their actual social security number since they are issued a system ID number. However, to obtain financial aid a student must provide her/his social security number, so there are occasions when a student must come in person to A&R to have her/his correct social security number entered into the system. It should be noted that any time a change is made to data in the system, the system records the name of the person making the change, that person's employee ID, and the date of the transaction.

Another area of student data is the matriculation assessment scores. Per hid/her Profile/Role, only the matriculation assessment specialist at each college can access the database to enter those assessment scores which are then available per Profile to counselors to view when working with students to select appropriate classes.

Grade roster and census roster access is granted to instructional faculty per their Profile and the security clearance form. Grade information and census roster information can be posted only during assigned time periods. Only the instructor has access to his/her grade and census rosters for the inputting of data. For example, not even the department chair or the instructional dean has such access.

If a student files a grade dispute, the student and the college must follow the grade dispute policy as outlined in each college catalog. If, in the process of the student having filed an academic grievance, it is determined that a specific course grade is incorrect, and if all required forms are completed, final approval for a grade change must be signed off by the Vice Chancellor of Student Services and only the district Admissions Officer has access to go into the system to make the change.

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Another area of access to student data relates to the Academic Renewal Policy which ultimately provides the option for alleviating substandard grades in terms of calculating the grade point average. As many know, this does not eliminate any information on the transcript of grades, but does allow "clean up" of the grade point average per the policy specifications. Only the four college Admissions and Records Specialists, the district Admissions Officer, and the district Vice Chancellor of Student Services per Profile/Role have access to make the appropriate transcript notations and process the change in grade point average.

Regarding financial aid student data, this information is not in the PeopleSoft system, but in a separate system, SAFE. The data in the SAFE system is reported directly from the FAFSA. Per profile, financial aid staff has access to read and access the FAFSA information in order to process student financial aid requests.

To repeat, the issues of security and security clearance received much attention in the implementation of the PeopleSoft Student Administration System. Many changes were made when reviewing the access that was granted in the Legacy system. Security clearance is more restricted, is in keeping with FERPA regulations, and is focused on providing access to information based on the need to know in order to perform a specific job within the district.

If the visiting teams should have additional questions or require additional information, team members should meet with the Vice Chancellor for Student Services, the district Admission Officer, and the district office Curriculum and Systems Technology Analyst.

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Documents

1.3 Final 2009-2010 Budget (April 27, 1010)
2.3 Adopted Tentative Budget 2010-2011 (June 22, 2010)
3.3 Annual Financial Report, June 30, 2009 (independent audit for 2008-2009)
4.3 Adopted Final Budget 2010-2011, September 28, 2010
5.3 311Q Report, June 30, 2010

6.3 Response to Final ACCJC Evaluation Visit Report, May 27, 2010
7.3 June 10, 2010 Response to Questions from ACCJC
8.3 Chancellor's Fiscal Alert Memo (3/30/10)
9.3 Enrollment Fee Collection Process (3/5/10)
10.3 Fee Collection Implementation Plan
11.3 High School Concurrent Enrollment Letter, April 2010
12.3 High School Concurrent Enrollment Form (8/9/10)
13.3 JD: Internal Auditor Job Description
14.3 JD: Student Financial Systems Analyst

15.3 GB: Board Agenda for Special Budget Workshop (July 19, 2010)
16.3 a-d GB: Board Meeting Agendas: 5/25, 6/10, 6/22, 7/20 – 2010
17.3 GB: Board Resolution 09/10-56 Financial Recovery and Sound Financial Management Practices
18.3 a-j GB: Board Audit and Finance Committee agendas and minutes: 3/11, 4/15, 5/12, 6/9, 7/2

19.3 a-m BM: Business Managers Meeting Agendas and Minutes: 3/09, 3/13, 3/23, 4/13, 4/27, 6/8, 7/09, 7/13, 8/10, 8/24,
20.3 BM: Business Managers Budget Reduction Worksheet
21.3 BM: Business Managers Fund 1 Worksheet (monthly expenditures 2009-2010)
22.3 BM: Memo to College Business Managers regarding Wiring Funds to the District

23.3 a-k RT: Recovery Team meeting agendas: 2/10, 2/24, 3/3, 3/10, 3/17, 3/24, 3/31, 4/14, 4/21, 5/26, 7/7, 8/25
24.3 a-I RT: Recovery Team meeting minutes: 2/24, 3/3, 3/10, 3/17, 3/24, 3/31, 4/21, 5/26, 7/7
25.3 a-g RT: Recovery Team variance reports: 2/23, 3/9, 3/15, 3/24, 4/14, 4/20, 5/28
26.3 a-e RT: Recovery Team status reports on audit compliance status, timeline, progress to date: 2/26, 3/16, 3/22, 5/17, 5/28
27.3 RT: Recovery Team Progress Report, April 20, 2010
28.3 RT: Recovery Team Update, April 27, 2010

29.3 a-k SF: CS 89 Bundle Upgrades: 13-23
30.3 SF: PeopleSoft Test Scripts Check List
31.3 SF: PeopleSoft Student Financial Meeting notes: 5-26-10
32.3 Basic Categorical Accounting Manual, VTD Training, 9-21-10
33.3 GB: Board Resolution adopting the 2010-2011 Budget (9-28-10)
34.3 Revised Administrative Procedures for BP 2.03 Fiscal Management

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Governing Board Review

The President of the Governing Board was copied on the June 30, 2010 ACCJC letters sent to the Presidents of the four Peralta Colleges (Berkeley City College, College of Alameda, Laney College, and Merritt College) and to the Chancellor of the Peralta Community College District Office. The letter to the Chancellor outlined the Commission's action regarding the March 15, 2010 Follow-Up Report, the April 1, 2010 Special Report, and the Special Visit Report (April 2010) filed by the ACCJC special visit team. The Governing Board President and the Chancellor shared that information with the other Trustees.

This Follow-Up Report was agendized as an action item for the October 12, 2010 meeting of the Governing Board.

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Appendix A: Recovery Plan

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Peralta Community College District

Multi-Year Recovery Plan

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September 30, 2010

Presented to:
Peralta 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 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)

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X. Appendices
(Those sent to the State Chancellor's Office are documents listed in the Evidence of this report: 2010/2011 Adopted Budget; PCCD Organizational Charts; this ACCJC Follow-Up Report; the 2009 Independent Audit Report; and the Corrective Action Plan which is Appendix B of this report)

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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 15th 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.

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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

Founded in 1970, College of Alameda (COA) is California's only community college located on an island. Situated in a beautiful park-like campus of 57.4 acres, COA offers the quiet of a suburban setting yet within minutes there is access to the urban environments of San Francisco and Oakland.

The main campus is located just south of the Posey Tube with a satellite campus near the Oakland International Airport. The main campus houses eight be-level permanent buildings and approximately twenty-two portable buildings for approximately 290,600

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sq. ft. of building area. 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.

The excellent staff, faculty, and administrators are committed to providing a creative, ethical, and inclusive environment in which all students are welcome to develop their abilities as thinkers, workers, and citizens of the world. The college offers a wide range of transfer, basic skills, online, and career technical education programs, which enables each student to achieve their own unique goals. Serving over 12,000 students annually, COA offers A.A. and A.S. degrees in forty areas, twelve of which are traditional occupational programs.

In the fall of 2009, College of Alameda enrolled 8,019 students: 54% females and 42% males; 53% of the students at the college were under 25. The following underrepresented ethnic groups comprise 64% of the student population: Asian, 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 enrolled in day courses and the remaining 41% were part of the evening program. The comprehensive general education/transfer program provides courses for students transferring to the University of California and the California State University systems and to private colleges and universities.

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.

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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.

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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.

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MERRIT 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.

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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

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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

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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,

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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.

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***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

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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.

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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 or 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 faculty members. In Fall 2009, faculty with partial loads totaled 1008, and in Fall 2010, it had dropped to 857 faculty with partial loads.

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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.

Consistent with establishing and maintaining sound financial and budgetary conditions, PCCD will continue to develop a detailed fiscal stability plan that demonstrates the impact the fiscal plan has on the PCCD's educational programs. The PCCD is committed to incorporate in the fiscal stability plan the principles of sound fiscal management specified in Tile 5, Sections 58310 and 58311.

PCCD recently has hired, on a multiyear contract, a Vice Chancellor for Finance and Administration and is moving forward on other key Office of Finance positions. The Office of Finance, under the leadership of the Vice Chancellor for Finance and Administration, has been charged with ensuring persistent/ ongoing fiscal stability of the PCCD. Adherence to the principles of sound fiscal management specified in Title 5 sections 58310 and 5831 will increase the goal of achieving fiscal stability and fiscal solvency.

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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.

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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.

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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

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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.

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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

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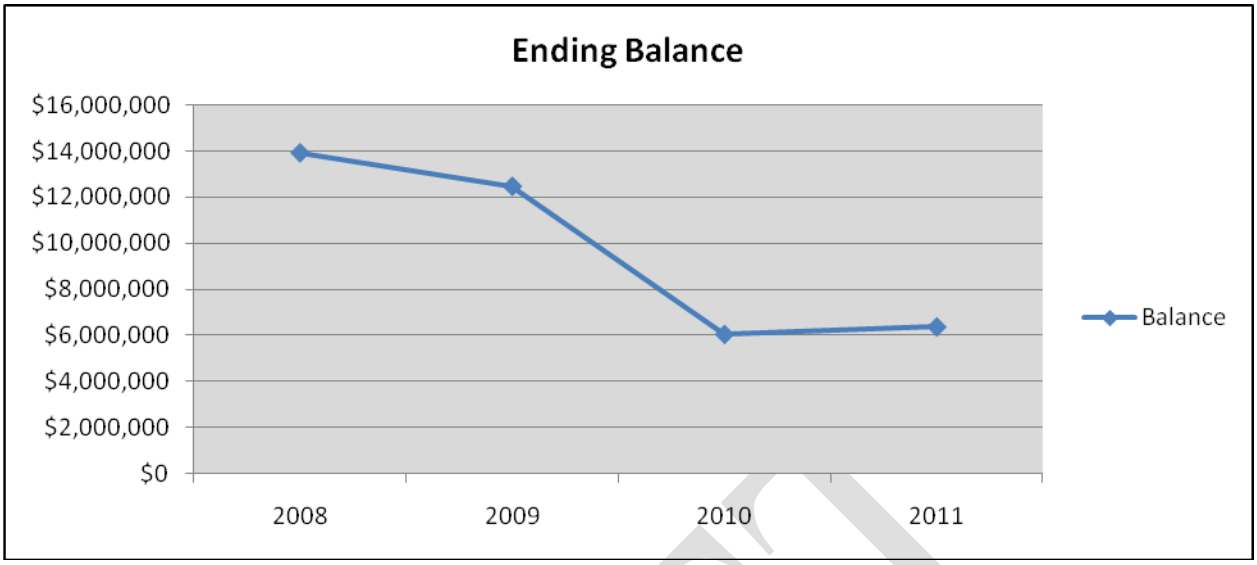

Unrestricted Fund Deficit Spending

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

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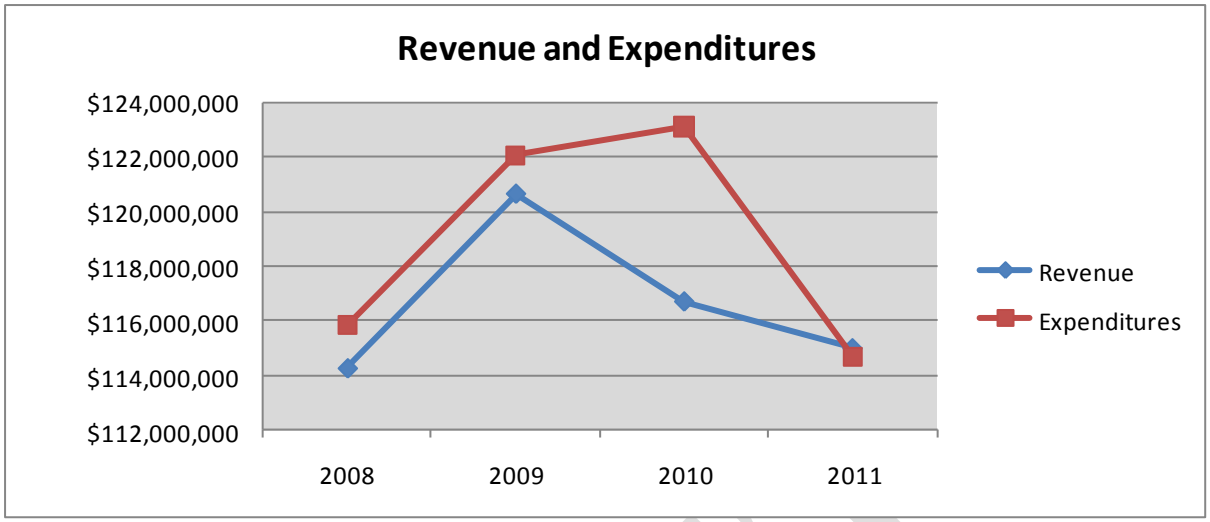

Unrestricted Fund Budget Reductions

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
Total Exp. Increases	5,998,000

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
Total College	6,887,800

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
Total District Office	4,550,520

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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

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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.

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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 recommendation

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Appendix B: Corrective Action Matrix

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PERALTA COMMUNITY COLLEGE DISTRICT
CORRECTIVE ACTION MATRIX
PENDING ACTIONS

Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
ACCJC					
2010 ACCJC Accreditation Letter June 30, 2010 2009 Team Recommendation 1 Board and District Administration	Assess Overall Effectiveness of District Services to Colleges Provide Clear Delineation of Functional Responsibilities Develop Clear Processes for Decision Making (Standards IV.B.I, IV.B3, a,b,c,f, & g)	Responsible: Chancellor Point: Vice Chancellor of Educational Services	October 15, 2010	The District has assessed the overall effectiveness of the District's services to colleges and provided clear delineation of functional responsibilities. There has been a clear process for decision making. **(Refer to October 15, 2010 Follow-Up Report)**	Created a new District Planning and Budget Integration process: focus on services, functions, accountability (Education Committee; Facilities Committee; Technology Committee, Planning and Budgeting Council). Adopted PBI Procedures Handbook (August 2009). Created Web site to document all work and actions. Evaluated first year process for effectiveness. Created Manual of District Functions to provide clarity about district services. Evaluate all District administrators and their services to implement annual institutional goals

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2010 ACCJC Accreditation Letter June 30, 2010 2009 Team Recommendation 2 Management Systems	Resolve the functional issues associated with the implementation of the district-wide adopted software management systems for student, human resources, and financial aid administration. (Standards III.C.1.a, III.C.1.c, III.C.1.d, and IV.B.3.b)	Responsible: Chancellor Point: Vice Chancellor of Educational Services	June 30, 2011	The District is working on resolving the issues associated with the implementation of the adopted software management systems for student ?, human resources, and financial aid administration. **(Refer to October 15, 2010 Follow-Up Report)**	Hired additional IT staff to manage the PeopleSoft system. Created a PeopleSoft Resolution Team (made up of lead administrators and IT programmers; chaired by VC of Ed Services). Created 12 PeopleSoft Functionality Teams. Created detailed ongoing Issues Log. Created a Log of completed enhancements to PeopleSoft (for communication purposes) Created a PRT Web site for communication. Will evaluate the process at the end of one year.
2010 ACCJC Accreditation Letter June 30, 2010 2009 Team Recommendation 3 Financial Resources and Technology	Implement all appropriate controls and necessary MIS systems modifications to achieve access to a fully integrated computer information management system, including modules for student, financial aid, human resources, and finance, in order to assure financial integrity and accountability. Board receive implementation process reports until project completion.	Responsible: Chancellor Point: Vice Chancellor of Educational Services	June 30, 2011	The District is taking immediate corrective action to implement appropriate controls and MIS systems modifications. The Governing Board will receive regular implementation progress reports through project completion. **(Refer to October 15,**	Development of PeopleSoft resolution team and handbook. Issues log created and updated. PeopleSoft functionality team. Regular meeting for users where programmers attend meetings to address issues.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
	(Standards III.D.1.a, III.D.1.b, and III.D.2.a)			**2010 Follow-Up Report)**	
2010 ACCJC Accreditation Letter November 18, 2009 & June 30, 2010 Reporting Requirement 1 Other Post Employment Benefits (OPEB) Liabilities	District Required to Provide ACCJC an Update on the Value of the Deferred Compensation Trust Fund and Describe its Plan to Pay for the Growing Long-Term Debt. (Standards III.D.2.d and IV.B.3.d)	Responsible: Chancellor Point: CFO	December 31, 2010	The District's last Actuarial completed June 30, 2008 indicates a Retiree Health Actuarial Obligation of approximately $153 million. An updated Actuarial obligation calculation will be completed by December 2010. The District has hired a new financial adviser and a new Vice Chancellor of Finance and Administration. **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	
2010 ACCJC Accreditation Letter November 18, 2009 & June 30, 2010 Reporting Requirement 2 The District's Internal Control Structure	Provide an Update on District Action Regarding Independent Audit Report. a. 2008-1 Oversight and Monitoring b. 2008-2 Financial Accounting System Procedures c. 2008-03 Information Systems d. Bursar's Office and Trust Fund Activity Reporting Changes e. Accounts Payable/Purchasing Functions	Responsible: Chancellor Point: CFO	October 15, 2010	The District developed a "Corrective Action Plan" that lists all audit recommendations and status of implementation as an update. **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
	(Standard III.D 2 and III.D.2.c,d,e,g) & (Standard II.B.3.f, III.D.1.b, III.D.2.g, IV.B.3.d, IV.B.1, IV.B.1.B, and IV.B.1.c)				
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team Recommendation 2010 Recommendation 1	All Personnel Selection Actions must Adhere to the Established Policies and Procedures (Standard III.A.1.a)	Responsible: Chancellor Point: Vice Chancellor of Human Resources	July 1, 2010	The new Chancellor and new Vice Chancellor or Human Resources will at all times adhere to established policies and procedures regarding personnel selection actions. **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	Board Training Workshops on June 10 and September 14 reinforced the requirement to follow written policy and procedures. The new Vice Chancellor of HR has made it explicit that policy and procedures will be followed as written.
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team Recommendation 2010 Recommendation 2	Evaluate the Reporting Structure with Regard to the Inspector General so that the Position is Properly Placed in the Hierarchy of the District Organization (Standard IV.B.I.J)	Responsible: Board Point: Chancellor	July 31, 2010	At the July 20, 2010 meeting of the Governing Board, the Trustees unanimously voted to delegate to the Chancellor the reorganization of the Inspector General's Position for Reporting Purposes **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	Issue resolved: the I.G. is a direct report to the Chancellor. Reaffirmed at the September 14, 2010 Board training.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team Recommendation 2010 Recommendation 3	Clarify the Role of the Board Members with Respect to the Work of the District Managers. 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. Standards IV.B.1.d, IV.B.1.j)	Responsible: Board Point: Chancellor	July 31, 2010	The Governing Board, on July 22, adopted a Community College League of California document, "Board and CEO Rules: Different Jobs, Different Tasks" (2000). The document stresses the importance of strengthening the Board and CEO relationship. The Board has agreed to use the document as a means to distinguish the roles and responsibilities of the Board from those of the Chancellor. **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	Board adopted CCLC, document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10). Board addressed the issue in detail at Board Training, 9/14/10. Board will abide by Board Policy 1.21, Board Committees, to ensure that Board Committees only have a policy function. Board will revise BP 1.05, Duties and Responsibilities of the Board. Board will rely on the new Chancellor for the operation of the District.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team Recommendation 2010 Recommendation 4	Provide Ongoing and Annual Training for Board and Management on Roles and Functions as it Relates to District Policy and Operations (Standard IV.B.1.f)	Responsible: Board Point: Chancellor	On-Going	On June 10, 2010, the Community College League of California provided a training workshop for the trustees of the Governing Board. Effective Board practices and Trustee Financial Responsibilities were covered. An additional training is scheduled through the Community College League on September 14, 2010. **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	Trainings happened on 6/10/10 and 9/14/10 and addressed this recommendation. Board adopted CCLC document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10). Board Trainings will be conducted quarterly.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team Recommendation 2010 Recommendation 5	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 Reviewed Regularly with each Board Member. Standard IV.B.1, IV.B.1.j)	Responsible: Board Point: Chancellor	On-Going	On May 25, 2010, the Governing Board unanimously agreed that training, and joint workshops of the Board will occur to review and better understand the ACCJC Standard and Eligibility Requirements. On June 10, 2010, the Community College League of California provided a training workshop for the trustees of the Governing Board. Effective Board practices and Trustee Financial Responsibilities were covered. An additional training is scheduled through the Community College League on	Board adopted CCLC document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10). Trainings conducted on 6/10/10 and 9/14/10 which addressed this recommendation. Board will conduct quarterly training workshops. Board will adhere to Board Policy 1.21, Board Committees. Board will revise Board Policy 1.05, Duties and Responsibilities of the Board.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				September 14, 2010. **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team Recommendation 2010 Recommendation 6	Regular Review of the Code of Ethics by the Board to Assure Thorough Understanding and Application of the Code's Intent Standard IV.B.1.e; IV.B.1.h)	Responsible: Board Point: Chancellor	October 15, 2010	In a May 25, 2010 resolution, the Board affirmed its commitment to adhere to the Board Code of Conduct. On July 22, 2010, the Board Policy Review Committee meeting discussed the code of ethics, value statement, and conduct rules and recommended to strengthen or improve the current policy. **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	Board resolved to adhere to Board Policy 1.06, Board Code of Ethics. (5/25/10) Board Policy Review Committee resolved to strengthen the Board Policy, 1.06 (7/22/10) Board to include section on Code of Ethics in annual self-evaluation.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team Recommendation 2010 Recommendation 7	Change the Reporting Relation of the Inspector General from the Board of Trustee to the Chancellor Standard IV.B.1.j)	Responsible: Board Point: Chancellor	October 15, 2010	On July 20, 2010, the Governing Board unanimously voted to delegate to the Chancellor the reorganization of the Inspector General's position for reporting purposes. **(Refer to District's October 15, 2010 ACCJC Follow-Up Report)**	Issue resolved: the I.G. is a direct report to the Chancellor. Reaffirmed at the September 14, 2010 Board training.
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team 2010 Recommendation 8	Review Board Roles to Assure Board is Relying on the Chancellor to Carry out the Policy Set by the Board. (Standard IV.B.1.j)	Responsible: Board Point: Chancellor	October 15, 2010	On May 25, 2010, the Governing Board unanimously agreed that training, of the Board will occur to review and better understand the ACCJC Standard and Eligibility Requirements. On June 10, 2010, League of California provided training for the trustees of the Governing Board. Board practices and Financial Responsibilities were covered. **(Refer to October 15,**	Board adopted CCLC document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10). Trainings conducted on 6/10/10 and 9/14/10 which addressed this recommendation. Board will conduct quarterly training workshops. Board will adhere to Board Policy 1.21, Board Committees. Board will revise Board

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				2010 ACCJC Follow-Up Report)	Policy 1.05, Duties and Responsibilities of the Board.
2010 ACCJC Accreditation Letter June 30, 2010 2010 Special Visit Team 2010 Recommendation 9	Board and District Adhere to Their Appropriate Roles. Board Must not Interfere with the Operations of the Four Colleges of the District. Chancellor Assumes and Takes Full Responsibility and Authority for the Areas Assigned to District Oversight	Responsible: Board Point: Chancellor	On-Going	On May 25, 2010, the Governing Board unanimously agreed that training, of the board will occur to review and better understand the ACCJC Standard and Eligibility Requirements. On June 10, 2010, League of California provided training for the trustees of the Governing Board. Board practices and Financial Responsibilities were	Board adopted CCLC document, Board and CEO Roles: Different Jobs and Different Tasks (7/22/10). Trainings conducted on 6/10/10 and 9/14/10 which addressed this recommendation. Board will conduct quarterly training workshops. Board will adhere to Board Policy 1.21, Board

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				covered. **(Refer to October 15, 2010 ACCJC Follow-Up Report)**	Committees. Board will revise Board Policy 1.05, Duties and Responsibilities of the Board. The new Chancellor on various occasions has publically addressed this recommendation with the Board and has reiterated how staff respond to a Trustees position, power, and authority. Board has agreed to rely on and trust the Chancellor.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
INDEPENDENT AUDIT FINDING					
MATERIAL WEAKNESSES FINANCIAL STATEMENT Independent Audit Finding 2009-1 DISTRICT FINANCIAL REPORTING	Monthly Financial Activity Report for All Funds	Responsible: PCCD Board/Chancellor Point: CFO	January 1, 2011	A monthly expenditure report was developed in February 2010. This report will continue to be refined and provided to key stakeholders on a monthly basis. **(Refer to VTD Audit Response)**	
Independent Audit Finding 2009-2 DISTRICT BUDGET MONITORING	Annual Budget Prepared and Presented to Stakeholders within Statutory Time-Line – On-Going Monitoring of Budget	Responsible: PCCD Board/Chancellor Point: CFO	September 30, 2010	The 2010-11 Budget will be presented for review and acceptance by September 28, 2010. **(Refer to VTD Audit Response)**	
Independent Audit Finding 2009-3 QUARTERLY FINANCIAL REPORTING	Financial Activity Calendar Provided to Board of Trustees	Responsible: Chancellor Point: CFO	September 30, 2010	A Financial Activity Calendar will be provided to the Board of Trustees at the September Board Meeting for information **(Refer to VTD Audit Response)**	
Independent Audit Finding 2009-4 OVERSIGHT AND MONITORING	Formal Comprehensive Review of the PeopleSoft Accounting System	Responsible: CFO Point: Assistant Vice Chancellor of Finance	June 30, 2011	Staff will be providing a recommendation on the time-line and approach to this corrective action. Add status of position management	Beginning work of development for Business Intelligence Tool for easier access. Training of staff in use of System and its Functions

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				(Refer to VTD Audit Response)	
Independent Audit Finding 2009-5 CORRECTIVE ACTION PLAN	Address All Recommendations Stated in the Annual Audited Financial Report	Responsible: PCCD Board/Chancellor Point: CFO	Upon Receipt of Audit – 30, 60, 90, 120 day Status Report to Audit Finance Committee and Board of Trustees	This Corrective Action Matrix List Each 2008-09 Audit Findings and Its Status the matrix is being used as a tool to address each of the current and prior year findings **(Refer to VTD Audit Response)**	
Independent Audit Finding 2009-6 OTHER POST EMPLOYMENT BENEFITS (OPEB)	Receive, Review and Reconcile the Monthly Investment Activity	Responsible: Chancellor Point: CFO	Monthly Reports to the Audit and Finance Committee and Regular Updates to the Board of Trustees	During the Month of July, the Board of Trustees and Audit and Finance Committee were provided an update on the Investment Activity **(Refer to VTD Audit Response)**	
Independent Audit Finding 2009-7 SWAP INVESTMENT ACTIVITY	Prepare, Review and Adopt Policy on Use of Interest Rate Swap Agreements	Responsible: Chancellor Point: CFO	December 31, 2010	The CFO is working with new bond financial adviser in the development of appropriate policy, procedures and practices on interest rate SWAP agreements	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				(Refer to VTD Audit Response)	
Independent Audit Findings 2009-8 & 2009-09 CASH IN COUNTY & BANK ACCOUNT RECONCIIATION	Cash and Bank Accounts Reconciled Monthly	Responsible: Chancellor Point: CFO	June 30, 2011	The District is reviewing its policy regarding cash and bank account reconciliation and is revising and implementing necessary changes **(Refer to VTD Audit Response)**	
Independent Audit Finding 2009-10	Develop a Risk Assessment Program and Perform Regular Reviews of Programs, Services and Activities	Responsible: Chancellor Point: Internal Auditor	June 30, 2011	The Distrct is considering the employment of an Internal Auditor to perform risk assessment **(Refer to VTD Audit Response)**	
2009-11 Independent Audit Finding	Identify and Train Personnel in Accounting of Capital Assets	Responsible: Chancellor Point: CFO	June 30, 2011	The CFO is identifying and having trained personnel in the accounting and recording of capital assets **(Refer to VTD Audit Response)**	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2009-12 Independent Audit Finding	A Review of the Capabilities of PeopleSoft Financial Accounting Software System	Responsible: CFO Point: Assistant Vice Chancellor of Finance	June 30, 2011	Staff will be providing a recommendation on the time-line and approach to this corrective action. **(Refer to VTD Audit Response)**	Publishing of Monthly Variance Reports, development of additional queries and reports and development of BI financial tool for easier access
2009-13 Independent Audit Finding	Test and Implement Student Financial Aid Accounting System	Responsible: Vice Chancellor of Educational Services Point: Associate Vice Chancellor of Information Technology	June 30, 2011	Staff will be providing a recommendation on the time-line and approach to this corrective action, along with regular status reports to the Chancellor regarding product development. **(Refer to VTD Audit Response)**	Work with SAFE Student financial system to implement Web based Student Financial Aid system. Testing to begin December 2011 at the latest. Oct 2010 Gen. Ledger feed from SAFE to PeopleSoft to be implemented
2009-14 Independent Audit Finding	Consistent Procedure for Accounting and Remittance of All Student Fees	Responsible: Chancellor Point: CFO	June 30, 2011	Staff will be providing a recommendation on the approach to this corrective action. The District has authorized a position to work between student and finance **(Refer to VTD Audit Response)**	
2009-15 Independent Audit Finding	Written Procedure Manuals Developed for District and Business Offices	Responsible: Chancellor Point: CFO	June 30, 2011	Staff will be providing a recommendation on the approach to this corrective action. **(Refer to VTD Audit Response)**	
SIGNIFICANT	Software System Controls	Responsible:	June 30, 2011	CFO and Vice	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
DEFICIENCIES 2009-16 Independent Audit Finding	Reviewed & Tested by Independent Service Provider & Evaluate Adequacy	Chancellor Point: CFO		Chancellor of Educational Services to Evaluate the Software System Controls **(Refer to VTD Audit Response)**	
2009-17 Independent Audit Finding	Adequate Controls Over Year-End Closing Process. Training of District Staff on Accounting Principles	Responsible: Chancellor Point: CFO	June 30, 2011	The District will institute adequate controls and provide training to staff. **(Refer to VTD Audit Response)**	
2009-18 Independent Audit Finding	Assets in the OPEB District Accounts Need to be Monitored, Reconciled, Summarized, and Recorded in District Ledger on a Regular and Timely Basis	Responsible: Chancellor Point: CFO	On-Going	The District will monitor, reconcile, summarize and record the assets in the OPEB accounts on a regular and timely basis. **(Refer to VTD Audit Response)**	
2009-19 Independent Audit Finding	Annual Affirmation from Retirees and Dependents to Determine their Eligibility for district paid health benefits	Responsible: Chancellor Point: CFO and VC of HR	completed July 31, 2010	Completed The District began an affirmative audit enrollment process in April 2010. This audit determined the retirees and their dependent's eligibility. **(Refer to VTD Audit Response)**	
2009-20 Independent Audit Finding	Revise Policies to Conform with Current Internal Revenue Service (IRS) Section Regulations Regarding "Load Banking".	Responsible: Chancellor Point: CFO and VC of HR	June 30, 2011	The District is receiving annual load banking records to accrue the liability for year-end	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				financial reporting. The District policy will be modified to eliminate the employee's option of cashing out their balance in whole or in part to comply with the IRS regulations. PCCD will engage a meet and confer process. **(Refer to VTD Audit Response)**	
2009-21 Independent Audit Finding	Internal Controls for Compensated Absence Balances Need to be Strengthened to Ensure Absences are Properly Recorded and Accumulated. Consistent Methodology for Reporting Load Banking Balances. Outstanding Balances Reported to HR and/or Finance Regularly to Close the Accounting Records.	Responsible: Chancellor Point: CFO and VC of HR	December 31, 2010	In March 2010, a consistent format was developed for the Colleges to account for load banking, accrual, usage, and liability. **(Refer to VTD Audit Response)**	
2009-22 Independent Audit Finding	Continue to Review and Implement the Draft Disaster Recovery Plan (DRP) for the Information Systems Department. DRP Should Cover all Operating Systems and be Tested Annually. DRP Should Include Procedures that Ensure Recovery and	Responsible: Vice Chancellor of Educational Services Point: Associate Vice Chancellor of Information Technology	June 30, 2011	The District is reviewing and implementing the draft DRP. The System will be tested by June 30, 2011. The DRP will include procedures that will ensure recovery	Calendar developed for routine testing of disaster recovery system. Off Campus Hosting Back up files. Hiring of Full Time DBA

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
	Restoration of all Systems.			and restoration of the systems in the event of a disaster. **(Refer to VTD Audit Response)**	
2009-23 Independent Audit Finding	Review Procedures and Format Over Collection of Data in the SEFA/SESA to Ensure it Includes All Required Elements	Responsible: Vice Chancellor of Educational Services Point: Associate Vice Chancellor of Information Technology	June 30, 2011	The District will review its procedures and format over the collection of data to be included in the SEFA/SESA. **(Refer to VTD Audit Response)**	Implementation of PeopleSoft grants software MS Project spreadsheets/Access database developed for all grants
2009-24 Independent Audit Finding	Post All Approved Audit Adjustments after the Audited Financial Statements are Approved	Responsible: Chancellor Point: CFO	December 31, 2010	The District will post all approved audit adjustments after the audited financial statements are approved. **(Refer to VTD Audit Response)**	
2009-25 Independent Audit Finding	Review Guidelines for Receipt and Use of General Fund Monies Deposited within the Accounts. All Activity Reconciled and Provided in a Timely Manner. Amounts within the Trust Fund Belonging to the District Forwarded to District with a Full Reconciliation and Accounting	Responsible: Chancellor Point: CFO	December 31, 2010	The District will review the current guidelines and all activity will be reconciled in a timely manner. Trust funds will be forwarded with a reconciliation and accounting. **(Refer to VTD Audit Response)**	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2009-26 Independent Audit Finding	Transactions Recorded in Accounts - Reviewed and Reconciled Prior to Being Posted to General Ledger.	Responsible: Chancellor Point: CFO	On-Going	Transactions will be reviewed and reconciled. Posting authority has been limited to managers and supervisors. **(Refer to VTD Audit Response)**	
2009-27 Independent Audit Finding	The Allowance for Doubtful Accounts – Need Review and Analysis Throughout the Year – Properly Adjusted for Current Year Activities	Responsible: Chancellor Point: CFO	On-Going	The District will develop a process to analyze accounts. The District is implementing a new module in the student finance system that will set up payment plans for students. **(Refer to VTD Audit Response)**	
2009-28 Independent Audit Finding	Review and Understand Disbursement Policies and Procedures – AP Staff Ensure Expenditures are Classified and all Documents are Present Prior to Disbursement of Funds for Payment.	Responsible: Chancellor Point: CFO	December 31, 2010	The District will review and understand the disbursement policies and procedures. AP staff will ensure that expenditures are classified and all pertinent documents are present prior to disbursement of funds for payment. **(Refer to VTD Audit Response)**	
2009-29 Independent Audit	Employment Contracts and Salary Increases are Approved and	Responsible: Chancellor Point: VC of HR/CFO	On-Going	The District will ensure that employment	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
Finding	Accepted by the Chancellor within a Week of the Employee's Acceptance			contracts and salary increases are approved and accepted by the Chancellor within 30 days of Employee's acceptance. **(Refer to VTD Audit Response)**	
2009-30 Independent Audit Finding	Process of recording Transfers and Journal Entries Evaluated for Proper Internal Controls. Segregation of Duties with Responsibility for Review and Reconciliation Maintained at the Supervisory Level. Written Procedures Prepared on Proper Controls and Procedures.	Responsible: Chancellor Point: CFO	June 30, 2011	Written procedures will be prepared on the proper controls and procedures. Only managers and supervisors can post journal entries. **(Refer to VTD Audit Response)**	
MATERIAL WEAKNESSES **FEDERAL AWARDS** 2009-31 A-133 Reporting Independent Audit Finding	Implement a Reporting Calendar – Timely Closing of Financial Ledgers and Completion of the Audit and Related Filings	Responsible: Chancellor Point: CFO	June 30, 2011	The District will implement a reporting calendar for timely closing of financial ledgers and completion of the audit and related required filings. **(Refer to VTD Audit Response)**	
2009-32 Independent Audit Finding	Accounting Policies Developed – Uniform Calculation Procedures – Routine Timelines – Reports Run in a Timely Manner and Provide	Responsible: Chancellor Point: CFO and VC of SS	June 30, 2011	Accounting policies will be developed to provide uniform calculation procedures	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
Return to Title IV	Evidence that all Withdrawn Students are Identified and a Calculation Performed			for each of the colleges. Records will include support that the reports are run in a timely manner. **(Refer to VTD Audit Response)**	
2009-33 Independent Audit Finding Student Financial Aid Reporting	Implement Procedures to Provide the College Student Financial Aid Offices with Required Information and Timelines to submit the Reports to DOE. Financial Aid Offices – Develop Procedures to Ensure EZ-Audit is Completed , Reviewed and Submitted in a Timely Manner	Responsible: Chancellor Point: Vice Chancellor of Educational Services	June 30, 2011	The District will implement procedures to provide the College Student Financial Aid Offices with the required information and timelines to submit the appropriate reports to the DOE. EZ Audit will be completed, reviewed, and submitted in a timely manner. **(Refer to VTD Audit Response)**	Hiring of District Director of Financial Aid to implement consistent financial aid procedures and develop a financial aid calendar. Fiscal services will complete EZ audit.
2009-34 Independent Audit Finding Equipment Management	Physical Inventory of the Federally Purchased Equipment taken Bi-Annually – Reconciled – Written Procedures Prepared on Inventory Controls – Safeguarded and Accounted For	Responsible: Chancellor Point: Purchasing Compliance Manager	June 30, 2011	Physical Inventory will be taken on a bi-annual basis and reconciled with records of purchases of the equipment. **(Refer to VTD Audit Response)**	
2009-35	Verify Entities Contracted with	Responsible: Chancellor	December 31,	The District has	MOU's will be kept up to

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
Independent Audit Finding Procurement, Suspension, and Debarment	for Services are not Suspended or Debarred	Point: Vice Chancellor of Educational Services and Purchasing Compliance Manager	2010	monitored the grant sub recipients for compliance with program performance since December 2009. Signed MOUs have been received from the five campuses that participated in the Tech-Prep grant. Time and effort verification has been completed District-wide for all 2008-09 awards and forward. **(Refer to VTD Audit Response)**	date, Vice Chancellor of Ed Services will oversee grants and ensure reporting compliance
2009-36 Independent Audit Finding Sub Recipient Monitoring	Better Understanding of Timelines for Corrective Action and Implement Calendars for Corrective Timelines. Sub Recipient Agreements – Reviewed, Changed to Include Notices, Terms, and Conditions for the Sub Recipient	Responsible: Chancellor Point: Vice Chancellor of Educational Services	December 31, 2010	The Director of Grants and Workforce and Development will ensure compliance **(Refer to VTD Audit Response)**	Tech Prep Coordinator hired. MOU template developed and approved to ensure timely completion by sub-recipients
2009-37 Independent Audit Finding Student Financial Aid Eligibility	Files Must be Reviewed for all Components of Eligibility. Schedules Developed, Reviewed, and Reconciled on a Regular Basis to Track Financial Aid Awards	Responsible: Chancellor Point: Vice Chancellor of Student Services	December 31, 2010	The District is hiring an Internal Auditor. This position will improve the error rates for the Federal, State and Local programs. Schedules will be developed, reviewed and reconciled on a regular basis. **(Refer to VTD Audit**	District wide Student Financial Aid Director Developed District wide guidelines.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				Response)	
2009-38 Independent Audit Finding Student Financial Aid Verification	Berkeley City College – Reconsider Approach to Verification and Develop a Business Process that Provides a Clear Calculation of the Numbers Verified	Responsible: Chancellor Point: Vice Chancellor of Educational Services	December 31, 2010	Berkeley City College will review and reconsider its approach to verification and develop a business process that provides a clear calculation. **(Refer to VTD Audit Response)**	Distribution of Monthly Expense Reports (MERs) Correct accounting of labor and benefits Correct accounting and coding of Pro-Rata pay
2009-39 Independent Audit Finding Student Financial Aid Pell Disbursements	Greater Oversight of Reporting Problems and Allocate Appropriate Resources where Necessary – Assist Colleges in Meeting Requirements in a Timely Manner	Responsible: Chancellor Point: Vice Chancellor of Educational Services	December 31, 2010	The District will provide greater oversight of reporting and allocate appropriate resources where necessary and available to help the Colleges meet the requirements for timely reporting. **(Refer to VTD Audit Response)**	Developed MOUs
2009-40 Independent Audit Finding Time and Effort Reporting	Better Assess Compliance Risks to Better Develop Appropriate Compliance Objects and Necessary Controls	Responsible: Chancellor Point: Vice Chancellor of Educational Services	December 31, 2010	The District will assess the compliance risks to better develop appropriate compliance objectives and necessary controls. **(Refer to VTD Audit**	Hiring of Tech Prep Coordinator and staff Time and effort to be accurately recorded

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				Response)	
2009-41 Independent Audit Finding Financial Reporting	Develop and Monitor Reporting Calendar to Document Timelines. Verify Actual Costs Recorded in the Financial System.	Responsible: Chancellor Point: Vice Chancellor of Educational Services	December 31, 2010	Reporting Calendar will be used to document timelines and monitor reporting timelines. Reports will be reviewed to verify actual costs are recorded in the financial system. **(Refer to VTD Audit Response)**	Accurate reporting of salary and benefits Pro Rata properly coded Tech Prep Coordinator Hired
2009-42 Independent Audit Finding Federal Work Study Awards	Reconciliation Performed and Reviewed on a Monthly Basis. Better Communication Between Departments and Central Administration Needs Improvement	Responsible: Chancellor Point: Vice Chancellor of Student Services	December 31, 2010	Financial Aid set up an internal tracking spreadsheet. Discrepancies will be corrected through payroll adjustments submitted to the college Business Office. Fund balances reported on a monthly basis **(Refer to VTD Audit Response)**	
2009-43 Independent Audit Finding	Adopt a Policy that Determines Procedures for drawing Down Federal Funds. Implement a Control to Ensure Proper	Responsible: Chancellor Point: Vice Chancellor of Student Services and Assoc VC of Finance	December 31, 2010	The District will adopt a policy/administrative regulation that determine the	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
Federal Draw Downs	Segregation of Duties over Drawing Down Funds and Verify Amount is Reviewed and Approved			procedures for drawing down Federal funds. A control will be implemented to ensure segregation of duties. Amounts will be reviewed and approved. **(Refer to VTD Audit Response)**	
2009-44 Independent Audit Finding Assessment of Capital Outlay Fees for Nonresident Students	Programming of Student Fees Reviewed and Updated to Allow for the Maximum Amount of the Capital Outlay Fee for International Students. Calculate Fees Charged for Current Term and Full Year. Reimburse the Affected Students the Amount Overcharged.	Responsible: Chancellor Point: Vice Chancellor of Student Services	December 31, 2010	Correction of this issue in the system is part of the reconfiguration of the Student Fee system changes. Individually errors are being corrected manually. **(Refer to VTD Audit Response)**	
2009-45 Independent Audit Finding CCFS-320 Attendance Reporting	Careful Calculation and Preparation of the CCFS-320 Attendance Reports. Documentation Reviewed and a Procedure to Cross Check and Verify the Amounts to be Reported to the Chancellor and Submission to the State.	Responsible: Chancellor Point: CFO and VC of Educational Services	December 31, 2010	CCFS-320 Attendance Reports will be calculated and prepared carefully. Supporting documents will be carefully reviewed and a procedure to cross check and verify the amounts reported will be completed prior to submittal. **(Refer to VTD Audit Response)**	Cross checking through testing and confirmation with Business Intelligence Tool (BI)
2009-46	Director of Admission and	Responsible: Chancellor	December 31,	Enrollment forms	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
Independent Audit Finding	Records – Review All Enrollment Forms Posted to the Website for Consistency with Approved Forms and Compliance with Education Code Requirements.	Point: VC of Student Services	2010	posted to the website will be reviewed for consistency and compliance. **(Refer to VTD Audit Response)**	
2009-47 Independent Audit Finding Residency Determination	Written Procedures Prepared and Provided to all Admissions and Records Offices at the College Campuses – Noting Requirements for the Classification of Students. Only the FTES Generated by California Residents are Included in the CCFS-320 Attendance Reports.	Responsible: Chancellor Point: Vice Chancellor of Educational Services	December 31, 2010	The District will develop written procedures and provide them to all Admissions and Records Offices at the college campuses. The verification of the residency status will be consistently applied and documented. **(Refer to VTD Audit Response)**	Cross checking done with system 320 Bolt on in PeopleSoft with BI tool
2009-48 Independent Audit Finding CalWorks – Monitoring and Eligibility	Documentation of the Verification Process for Students Receiving CalWorks Benefits Must be Included in the File for Each Term Benefits Provided. Verification Process Completed on a Term by Term Basis.	Responsible: Chancellor Point: Vice Chancellor of Educational Services	December 31, 2010	Documentation of the verification process for students receiving CalWorks Benefits will be included in the file for each term benefits are provided. **(Refer to VTD Audit Response)**	Working closely with staff and Vice Presidents of Student Services to ensure processes in place for timely filing and collection of student data.
2009-49 Independent Audit CalWorks - Reporting	Timelines of Required Categorical Reporting must be Documented and Sent to all Program Directors – Supervisory Personnel to Ensure Reporting is Complete and Accurate. General Ledger is Posted Timely and Accurately for all Categorical Programs to Ensure Accuracy of Reporting	Responsible: Chancellor Point: Vice Chancellor of Educational Services	December 31. 2010	Documentation of categorical reporting will occur and will be forwarded to all program directors. Supervisory personnel will ensure the reporting is complete and accurate. **(Refer to VTD Audit**	Training of staff and Vice Presidents of Students Services on accurate collection of student data

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				Response)	
2009-50 Independent Audit Finding Students Actively Enrolled	Program Written to Allow Admissions and Records Office to Identify the Rosters that has not Properly Turned in by Instructors. Admissions and Records Office Follow-Up with Instructors on Requirements to Identify Students who are not Enrolled.	Responsible: Chancellor Point: Vice Chancellor of Educational Services; VC of SS and Internal Auditor	December 31, 2010	Program will be written to allow Admission and Records Office to identify the rosters that have been turned in by the instructors to determine completeness and accuracy. **(Refer to VTD Audit Response)**	Training by Staff Development Coordinator of Faculty on correct use of rosters and grade reports. Regular follow up with instructional staff and administration on the campus. Regular reports distributed to Presidents
2009-51 Independent Audit Finding Use of Matriculation Fund	Identify an Individual Responsible to Monitor State Compliance Issues Related to all Compliance Areas and Ensure that Deadlines are met and Reports are Accurate.	Responsible: Chancellor Point: Vice Chancellor of Educational Services and Internal Auditor	December 31, 2010	The District will identify an individual that will monitor State compliance issues related to all compliance areas and ensure that deadlines are met and reports are accurate and filed in a timely manner. **(Refer to VTD Audit Response)**	Training of staff oversight by managment to ensure knowledge of grants received, proper set up of grants and follow through
2009-52 Independent Audit Finding Salaries of Classroom Instructors – 50%	Set up Appropriate Sub fund or Account within the General Ledger to Identify the Expenditures Associated with the Lottery Revenue	Responsible: Chancellor Point: CFO	December 31, 2010	The District will set up the appropriate sub fund or account within the general ledger to identify the expenditures associated with the lottery revenue. **(Refer to VTD Audit**	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				Response)	
2009-53 Independent Audit Finding Enrollment Fees Reporting	Careful Preparation of the Reporting Forms for the State System's Office. Reconciliation of Amounts to be Reported to General Ledger Signed off by Supervisory Personnel Prior to Submitting the Documents.	Responsible: Chancellor Point: CFO	December 31, 2010	Care will be taken in completing the required reporting forms for the State's System's Office. Reconciliation of amounts to be reported to the general ledger will be signed off by supervisory personnel prior to submitting the documents. **(Refer to VTD Audit Response)**	

ALAMEDA COUNTY GRAND JURY					
2009-10 Alameda County Grand Jury	Recommendation 10-1 & 10-4 PCCD Board Must: Review, Update, Follow and Enforce All Existing Policies Regarding: • Food • Travel • Professional Development	Responsible: Board of Trustees/Board Policy Review Committee **Point: Chancellor Allen**	December 31, 2010	*In* progress The District sought outside investigator Drummond to review policies/procedures and public report were made to Board in September 2009. Board and Chancellor updated policy/ procedure in Fall 2009. Policy Review Committee reviewed designated policies Statement from November 2009	Board Policy Review Committee regularly reviews policies. All changes to policy and procedures are formally approved and posted on-line. New Internal Auditor is tasked to evaluate changes and recommend process improvements, develop any new forms, and incorporate in standard operating procedure manual.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
				SMT meeting CBO to enforce current policy for travel with District staff **Refer to Grand Jury Response**	
2009-10 Alameda County Grand Jury	Recommendation 10-2 PCCD Board Must: Approve Salary Raises and Contracts Before They Are Awarded	Responsible: Board of Trustees/Board **Point: Vice Chancellor or Human Services**	On-Going June 30, 2010	*Completed* Practice reinforced at board training on september 14, 2010 and through corrective action matrix. The District sought outside investigator Drummond to review policies/procedures in September 2009. **Refer to Grand Jury Response**	Board Policy Review Committee updates on a regularly basis. All changes to policy and procedures are formally approved and posted on-line.
2009-10 Alameda County Grand Jury	Recommendation 10-3 PCCD Board Must: Supervise the Chancellor, Including a Summary Review of All Expenses on a Regular Basis	Responsible: Board of Trustees **Point: Board President and Vice President**	December 31, 2010 – June 30, 2011	*In progress* Board Workshop on Goal Setting and Chancellor Evaluation on July 19, 2010 and September 14, 2010 Warrant registers submitted to Board on a monthly basis **Refer to Grand Jury Response**	Agendized monthly for Board review. All reports are posted online and permanently saved.
2009-10 Alameda County	Recommendation 10-4	Responsible: Board of	December 31,	*In progress*	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
Grand Jury	Restrict and Require Written Justification of Food and Meal Purchases. Forms Must Include Who Attended, Why the Business was Conducted and a Statement of Results. Disclose to the Public.	Trustee/Chancellor Point: CFO	2010	The District will require written justification for all purchases. Expenditures will be reviewed and approved monthly by the Governing board at a public meeting. **Refer to Grand Jury Response**	
2009-10 Alameda County Grand Jury	Recommendation 10-5 PCCD Board Must: Not Issue Credit Cards to the Chancellor or Members of the Board of Trustees	Responsible: Board of Trustees **Point: Chancellor Allen**	October 30, 2009	*Completed* Credit cards for Board members and Chancellor were Cancelled since November 2009. Only a small number of departments have credit cards for departmental needs. **Refer to Grand Jury Response**	
2009-10 Alameda County Grand Jury	Recommendation 10-6 PCCD Board Must: Justify and Restrict Travel by the Board and the Chancellor	Responsible: Board of Trustees **Point: Chancellor Allen**	September 30, 2010	*Completed* Travel budget decreased by 70%. **Refer to Grand Jury Response** **Refer to Cost Savings Chart.**	Travel budget is identified during budget development and identified as a line item
2009-10 Alameda County Grand Jury	Recommendation 10-7	Responsible: Board of Trustees	December 31, 2010	*In progress* The District will review	Travel budget is identified during budget

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
	PCCD Board Must: Approve In Advance as a Non-Consent Item All Out-Of-District Travel by: Board Members and Chancellor	**Point: Chancellor Allen**		approval process for travel. A recommendation will be made that the Board approve all travel out-of-state in advance and that the Chancellor approve travel out-of-district. **Refer to Grand Jury Response**	development and identified as a line item.
2009-10 Alameda County Grand Jury	Recommendation 10-8 PCCD Board Must: Submit Written Reports Describing the Total Cost of Travel and Benefit to the PCCD	Responsible: Board of Trustees **Point: Chancellor Allen**	December 31, 2010	*Completed* The District has a current travel request form that requires submittal at least 15 days in advance of the travel date. This request form will be reinforced and adhered to. This form requires that the purpose/benefit be stated. The District also utilizes a request for reimbursement form that describes the total cost of travel. **Refer to Grand Jury Response**	Travel budget is identified during budget development and identified as a line item. Submit written reports as part of Board communication on board meeting agendas.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2009-10 Alameda County Grand Jury	Recommendation 10-9 PCCD Board Must: Provide an On-Site Office Space to Trustees and Eliminate Home Offices and All Cell Phone Stipends	Responsible: Board of Trustees **Point: Chancellor Allen**	December 31, 2010	*Completed* The District has evaluated in the past the need of On-Site Office Space and believe it is not cost-effective. Cell phone stipends were established to comply with IRS rules. **Refer to Grand Jury Response**	Board annual evaluation will include ways to decrease costs while still maintaining effective communication with the District.
2009-10 Alameda County Grand Jury	Recommendation 10-10 PCCD Board Must: Review Financial Statements of the District at Board Meetings on a Monthly Basis	Responsible: Board of Trustee/Chancellor Point: CFO	December 31, 2010	*Completed* The District will generate State quarterly financial reports and review them at the Governing Board level on a quarterly basis. Practice reinforced at Board training on July 20, 2010 and September 14, 2010 and through Corrective Action Matrix. **Refer to Grand Jury Response**	Incorporate in Board meeting calendar for approval of financial statements; and alert board when financial statements are not stated. Incorporate in calendar for council on planning and budget to review financial statements.

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2009-10 Alameda County Grand Jury	Recommendation 10-11 PCCD Board Must: Fill the Position of Internal District Auditor	Responsible: Board of Trustee/Chancellor Point: CFO	December 31, 2010	*In progress* The District has posted the position for an Internal Auditor. The position is expected to be filled in Fall 2010. **Refer to Grand Jury Response**	
2009-10 Alameda County Grand Jury	Recommendation 10-12 PCCD Board Must: Choose a Single Salary Figure that Represents Total Compensation for the Chancellor's Employment Contract	Responsible: Board of Trustee	December 31, 2010	*Completed* The District Governing Board feels strongly that it must have the ability to offer the necessary compensation package to ensure that the District will be competitive in recruiting a chancellor. A single salary figure that represents total compensation is too restrictive relative to effective negotiations **Refer to Grand Jury Response**	

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
2009-10 Alameda County Grand Jury	Recommendation 10-13 PCCD Board Must: Schedule a Meeting Every Year with the Outside Auditors to Discuss Findings and Recommendations in Open Session	Responsible: Board of Trustees Point: Chancellor/CFO	December 31, 2010	*Completed* District policy and State regulations require auditors to meet publicly with the Governing Board to discuss the findings and recommendations. This recommendation is currently being followed. **Refer to Grand Jury Response**	Incorporate in Board meeting calendar for meeting with outside auditors.
2009-10 Alameda County Grand Jury	Recommendation 10-14 PCCD Board Must: Require that Chancellor and Senior Management Implement Recommendations Made by Outside Auditors to Ensure a Budget can be Developed.	Responsible: Board of Trustees Point: Chancellor/CFO	December 31, 2010	*In progress* The District will continue to respond and implement each auditor's recommendation. The Corrective Action Plan will list all audit findings and a strategy to address the recommendations **Refer to Grand Jury Response**	
2009-10 Alameda County	Recommendation 10-15	Responsible: Board of	December 31,	*In progress*	Agendized monthly for

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Auditing/Agency	Corrective Action	Responsibility/Point	Due Date	Status	Systematic/Source Integration
Grand Jury	PCCD Board Must: Require Out-of-State Travel by all District Employees to be Approved in Advanced by the Board and Heard as Individual Action Item and Not as an Consent Agenda Item	Trustees Point: Chancellor/CFO	2010	The District has revised policies and procedures regarding travel to promote transparency and accountability since Fall 2009. A recommendation will be made that the Board approve all travel out-of-state in advance and that the Chancellor approve travel out-of-district. The public ratification of travel occurs at an open Board meeting. Warrant registers submitted to Board on a monthly basis **Refer to Grand Jury Response**	board review. All reports are posted online and permanently saved.
2009-10 Alameda County Grand Jury	Recommendation 10-16 PCCD Board Must: Establish Penalties and an Enforcement Procedure for Violation of Policies by Trustees and the Chancellor	Responsible: Board of Trustees/ Board's Chancellor Evaluation Committee/ Board Policy Review Committee Point: Chancellor/CFO/Board President and Vice President	December 31, 2010	*Completed* The District currently has and will implement the Board policies setting high ethical standards for members of the Governing Board and Administrators, including the Chancellor. **Refer to Grand Jury Response**	Board Policy Review Committee updates on a regularly basis All changes to policy and procedures are formally approved and posted on-line.

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