

**FOLLOW-UP REPORT**

**Berkeley City College  
2050 Center Street  
Berkeley, CA 94704**

**A confidential report prepared for  
the Accrediting Commission for Community and Junior Colleges  
Western Association of Schools and Colleges**

**This report represents the findings of the evaluation team that visited**

**Berkeley City College**

**On**

**April 1 & 2, 2013**

**By**

**Don Warkentin, Chair  
West Hills College Lemoore**

**Berkeley City College**

**Follow-Up Report**

**Visiting Team Members**

**April 1-2, 2013**

**Berkeley City College Visit:**

Don Warkentin –Chair  
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**Peralta Community College District Visit:**

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## INTRODUCTION AND OVERVIEW

A six-person team visited the Peralta Community College District for the purpose of a follow-up report to assess progress made on Commission recommendations 2, 3, 4, and 5 and Eligibility Requirements 3, 5, 17, and 18 from the visit of April 2012. The visiting team received the *Follow-up Report* prior to the visit and met with the Chancellor, Vice President of the Board of Trustees, Vice Chancellors and District support staff. Designated team members also met with college representatives on the second day of the visit.

The purpose of the visit was to verify that the *Follow-up Report* prepared by the college was accurate through the examination of evidence and conversations with key personnel and that sustained, continuous, and positive improvements had been made at the institution.

During the visit to the Peralta District office the visiting team validated through conversations and documentation the progress made for each Commission recommendation. The team found these meetings to be very helpful and informative in validating the District and College progress in meeting the Commission's recommendations.

## RESPONSES TO THE COMMISSION'S RECOMMENDATIONS

The following recommendations were the basis for conversations, interviews and review of data. The intent was to determine if the District and Board had addressed the recommendations resulting from earlier visits. The recommendations addressed in this visit expand the focus on the District's progress in the area of improving management systems and financial accountability and controls. In addition, the team conducted interviews and examined evidence to determine to what extent the financial actions of the District have impacted the colleges and their capacity to offer quality student learning programs and services

Team members also visited each college in the Peralta Community College District. Interviews with college stakeholders were conducted to determine to verify whether or not the perception on the part of the District's progress as described by the District was also supported by the colleges. The team also wanted to determine the process by which members of Berkeley City College were informed about the district responses to the recommendations and if Berkeley City College had a formal role in providing input on the district's response to the recommendations. The college's perspective on the District's ability to support its institutional effectiveness is vital to measuring progress on the recommendations.

## RESPONSES TO SPECIFIC RECOMMENDATIONS

### **Recommendation 2 –**

*In accordance with Standard III.D.2.a, c, and g and Eligibility Requirement #18, the District needs to resolve outstanding audit findings identified in the Department of Education letter dated May 20, 2011 referring to Audit Control Number (CAN) 09-2009-10795. That letter identifies the findings for each of the four colleges as those findings relate to Department of Education*

*areas of funded programs including Title IV and Financial Aid. Additionally, the District should resolve all audit findings in the Vavrinek, Trine, Day, & Co. LLP, Certified Public Accountants' audit reports for years 2008, 2009, and future audit report issued after the date of this recommendation.*

*Although the District has resolved a significant number of the audit findings from prior audits, a number of audit findings remain unresolved. The remaining audit findings need to be resolved by March 15, 2013.*

## **Observations and Analysis**

The entire team met with the Vice Chancellor of Finance and the Vice Chancellor of Educational Services and Student Services. They reviewed the status of the Corrective Action Matrix that the District is using to track the audit findings. The number of audit findings has been reduced from 53 as of 6/30/2009 to 8 as of 6/30/2012. Of those 8, only 4 are from the prior year. The remaining 49 findings have been cleared. The following summarizes the status of the eight audit findings:

2012-1 Time and Effort Reporting. (Prior year 2011-14) The District has implemented a procedure for both collecting the time reports and for following up on the reports that were not submitted promptly. The District provided evidence that the reports are current through 2<sup>nd</sup> quarter, 2012-13. This audit finding has been addressed.

2012-2 Procurement, Suspension and Debarment. (Prior year 2011-15) The District had implemented procedures to assure that contractors were verified to not be on the federal list, but had not included change orders. Procedures have been amended to include all contractors regardless of amount of the contract. This audit finding has been addressed.

2012-3 Financial Reporting. This audit finding was for one program. The program staff have been trained and the existing procedures have been reinforced. This audit finding has been addressed.

2012-4 Equipment Management. (Prior year 2011-17) The District has implemented procedures to track and tag all equipment purchased with federal funds. This audit finding has been addressed.

2012-5 Students Actively Enrolled. (Prior year 2011-20) The District and colleges have implemented procedures to ensure that class rosters are submitted by faculty for all course sections and that those rosters that are missing as of the end of census week are requested, repeatedly if necessary, from the faculty member. Late rosters are manually entered into the system. As of the end of census week in Spring, 2013, there were 700 out of 2300 rosters missing. As of one month later, only 130 were missing. The colleges will continue to follow up with the missing rosters. This audit finding has been addressed.

2012-6 Concurrent Enrollment. The District has a procedure requiring high school students to complete a separate concurrent enrollment form for each term of attendance. The college Admissions and Records office maintains the forms for one semester and then forwards the forms to the District Office. Any student who attempts to enroll online but lists him or herself as a high school student will be blocked from enrolling until the college has granted approval manually online. This audit finding has been addressed.

2012-7 Residency Determination for Credit Courses. The District has established a procedure to email all students who put a “2” on their CCCApply application, indicating permanent residency. The email informs the students that they have been placed in a non-resident status until they provide additional information to the Admissions and Records office. The process is a manual process, but adequately addresses the issue. As of this spring, the District established an electronic process for placing a hold on these students and sending them the email. This audit finding has been addressed.

2012-8 CalWORKS Reporting. This audit finding was for one program. The program staff has been trained and the existing procedures have been reinforced. This audit finding has been addressed.

### **Conclusion**

The District has addressed all prior year audit findings from 2008-09 through 2010-11 as well as the four new audit findings for 2011-12. It is clear that the District has developed a robust process for addressing audit findings in a prompt and serious manner.

The District meets Standard III.D.2.a, c, and g and Eligibility Requirement #18.

### **Recommendation 3 –**

*While evidence identifies progress, the District has not achieved compliance with Standard III.D and Eligibility Requirement # 17. Specifically, the District has not achieved long-term fiscal stability related to resolution of collective bargaining agreements on compensation and post-retirement benefits. Therefore, in order to meet the Standards and the Eligibility Requirements, the District must assess its fiscal capacity and stability and implement actions to resolve deficiencies.*

*The District has secured modifications to the collective bargaining contracts resulting in a soft cap on retiree benefits. The District must demonstrate its ability to maintain its fiscal stability over the long term (beyond three years) and assess the impact of the new revenue achieved through the passage of the parcel tax.*

### **Observation and Analysis**

The team met with District administration. It is clear that the District administration as well as the Board is working as a team with the focus on financial stability.

The District has:

- Negotiated benefit caps with all three collective bargaining groups. This change has assisted in the drop of the OPEB liability from \$221M in 2011 to \$183M in 2013.
- Carefully planned for hiring additional tenure track faculty while shifting adjunct faculty costs to Measure B, the parcel tax that was passed in June 2012. This fiscal strategy will allow the district the flexibility to reduce sections and costs in the future should state funding not increase as hoped.

- Created a new Budget Allocation Model that allocates funds to the colleges based on their share of the District's funded FTES averaged over three years. This creates an incentive for the colleges to actively manage their enrollment.
- Managed the allocation of increased funding from the passage of Proposition 30 and the Measure B – Parcel Tax to meet the terms of the ballot measures. The District has developed a fiscal strategy that keeps ongoing expenses out of Proposition 30 and Measure B, which are one-time funds. This strategy allows the District to scale its level of operations to its level of funding once Measure B and Proposition 30 funds sunshine.
- Addressed the OPEB liability by refinancing the debt and creating a benefit charge to address the future liability of current employees. This liability will continue to be managed, as the District plans to refinance the remaining debt by 2015, create an irrevocable trust and increase the self-charge to 15%.

### **Conclusion**

The District has tackled its significant budget problems seriously and intently, with the result that the District is in healthy financial condition with superior fiscal management.

The District meets Standard III.D and Eligibility Requirement #17.

### **Recommendation 4 –**

*While evidence identifies progress, the District has not achieved compliance with Standard IV.B and Eligibility Requirement # 3. Specifically, the District has not completed the evaluation of Board policies to the end of maintaining policies that are appropriate to policy governance and excluding policies that inappropriately reflect administrative operations. Therefore, in order to meet Standards and Eligibility Requirements, the District must evaluate all Board policies and implement actions to resolve deficiencies.*

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

### **Observations and Analysis**

- The Board adopted a method for review of its policies that employs the structure and advice from the Community College League of California (CCLC). This review process included the elimination of unneeded policies, the realignment of rules to delete elements of a procedural nature, and the addition of new rules in areas that were lacking. The Board has completed one full review of its policies and has made the commitment, with the aid of the CCLC update process, to conduct regular and ongoing updates. The Board has also incorporated the policy review process into its annual retreat agenda.

The Vice President of the Board has confirmed this practice and the district administration has assigned staff dedicated to providing the necessary support to keep the review process going forward. The Board has also declared its intention to complete a full review on a four-year cycle,

consistent with the length of Board terms. The Board is ready to allow the administrators to manage and the Board will stay focused on policy.

The Board and the Chancellor have also conducted orientation sessions with the one newly elected trustee so that she can learn her role and responsibilities. The District also plans to use the Chancellor's cabinet meetings (which include all presidents and vice chancellors) to continue this work.

The Board has found that the review process has helped them focus on policies, eliminate their involvement in procedures and clarify the chancellor's role. This enables the Board to support the Chancellor in his job instead of intervening in the operations of the District. This also helps the Board focus on matters of policy.

### **Conclusion**

The Board and the District's administration have joined in this mutually beneficial activity and have made commitment to continue regular review on Board policies.

The District meets Standard IV.B and Eligibility Requirement 3.

### **Recommendation 5 -**

*While evidence identifies progress, the District/Colleges have not achieved compliance with Standard III.D and Eligibility Requirements # 5 and # 17. Specifically, the District/Colleges do not demonstrate the fiscal capacity to adequately support quality student learning programs and services. Therefore, in order to meet Standards and Eligibility Requirements, the District/Colleges must evaluate the impact of financial decisions on the educational quality and implement actions to resolve any deficiencies.*

*In reviewing the reports, the Commission noted that Berkeley City College has not fully evaluated the impact of recent District financial decisions on the College's ability to sustain educational programs and services. The College did describe in detail the principles and practices around fiscal decisions at the District and the Colleges; yet, it was unclear to the Commission what specific impact the reductions or changes had and what the future impact of those reductions and changes would be. The College response should include an analysis of staff sufficiency and the quality of educational programs and services before and after budget reductions with sufficient detail and evidence to evaluate the impact of these reductions on the overall educational quality of the College. The College should also describe how it intends to deal with any resulting negative impact.*

### **Observations and analysis**

The visit to Berkeley City College occurred on April 2, 2013 with the purpose of verifying the actions and evidence provided by the Peralta district office and to assess the impact of the District actions on program sustainability and the quality of educational programs and services at the College.

The team member met with the Berkeley City College President, the Vice President of Student Services, the Vice President of Instruction, the College Business Manager, Accreditation Liaison Officer, Faculty Senate President and the president of the Associated Student Body.

During the meeting, discussion centered on each of the four district recommendations and whether or not the college was able to sustain quality of programs and services as the result of budget and resource reductions. The team member discussed each district recommendation with the college staff and verified that Berkeley City College had played a formal role in the development of the District responses. As an example, the President was involved, as a member of the Chancellor's Executive Cabinet, along with members of the Planning and Budgeting Council, in the review of Board policies and administrative procedures. Faculty and staff were also involved in the development of the new budget allocation model, the Human Resources hiring plan, negotiations and implementing procedures to meet district audit findings.

Personnel reductions occurred in the area of part time faculty with the reduction in course sections due to workload reductions. These reductions were necessary to meet the new FTES target identified for the college. Some administrative reductions occurred and duties were assumed by department chairs.

Ample evidence such as student success and retention rates, degree and completion rates, reorganization of functions, development of AA-Ts and AS-Ts support the college's efforts in maintaining quality of the college's academic programs and support services.

## **Conclusion**

Recommendation 2 (audit findings) – the team verified that new processes are now in place to ensure time and effort reporting is completed within specified time frames and on a regular basis. The College and District have implemented procedures to ensure faculty submit census reports and grade reports on time. The Vice President of Instruction and the President have involved themselves to rectify this finding.

The College has also developed a clear process that provides for the enrollment of high school students concurrently. The application process begins with the submission of an online enrollment form, it is verified by the Admissions and Records staff for all requires approvals, and then forwarded to the Vice President of Student Services for approval. Once approved the admission hold is then removed and the student is allowed to enroll. Finally all concurrent enrollment forms are forwarded to the District Office.

Non-resident students are identified on the CCCApply application and are billed tuition fees accordingly. The College's Admissions and Records office verifies residency and monitors fee collection. A residency hold is placed on all student records for non-resident verification. When students receive their tuition invoice, if there is a discrepancy they contact admissions and records to correct any discrepancies. The college also verified that students are contacted via email about any outstanding bills.

Finally procedures are now in place to correct overpayments to CalWORKS students. This apparently was not an issue with Berkeley City College.

Recommendation 3 (fiscal stability) – the college President verified her involvement in the development of recommendations to address the district's fiscal concerns. In her previous role as

District Vice Chancellor for Educational Services she was involved in the negotiations with the bargaining units that resulted in changes to the district provided health benefits.

The passage of Proposition 30 and Measure B have brought additional resources to the college and as a result additional course sections were added to the spring 2013 schedule to meet student demand. The newly developed budget allocation model (BAM) was used to allocate resources from Prop 30 and Measure B.

Recommendation 4 (board policies) – The college confirmed that the District Administration and Board of Trustees recently completed their review and update of all board policies and administrative procedures. The District is now using the services of CCLC to provide regular policy and procedure updates. Through the leadership of the Chancellor, old and outdated policies and procedures were discarded after approval by the board.

Recommendation 5 (quality of student learning programs and services) – The majority of the visit with Berkeley City College was spent reviewing its ability to continue the quality of its programs and services. During the period of reduction the college experienced a reduced budget allocation as have many colleges and districts throughout the state. However, several examples were presented to support the college's continued commitment to quality. Course sections taught by adjunct faculty were reduced in 2010-2011. However, due to the passage of prop 30, many of those sections have been restored. The two Dean positions that were eliminated and whose duties were assumed by department chairs have now been restored. One is currently filled and the other is being advertised. The Dean of Student Services position was eliminated in 2010-2011, but recreated immediately as a Dean of Student Support Services: DSPS and TRIO.

Research is now supported by the District Office. Financial Aid and Admissions and Records were recently decentralized with supervision responsibility returned back to the colleges. The Vice Chancellor for Student Services works with the college Vice President to ensure consistency in policy and procedures.

The successful acquisition of grants and Measure A dollars have been used to meet equipment and supply materials needs. Individual tutoring is now replaced by group tutoring. Although no full time faculty positions were reduced, the college, as evidenced in the BCC Human Resource Plan, had hired or will hire twelve additional faculty positions, three classified positions, and three administrative/managerial positions for 2012-2013. This has been made possible through the restoration of discretionary funds by 15% with the passage of Measure B and prop 30.

Success and retention continues to remain high and faculty productivity meets the college goal. Through the implementation of the Budget Allocation Model and the planning coordinated at the college and funneled through to the district Planning and Budget Integrated Council, campus priorities are reviewed and approved to ensue equity at each campus.

Through the College's program review, annual program updates, the Budget Allocation Model, and continuous planning and communication, the team concurs that Berkeley City College has maintained educational quality of its programs and services. Any negative impacts resulting from budget reductions have been minimized so that the college has remained focused on its mission.

Berkeley City College meets Standard III.D and Eligibility Requirements #5 and #17.