



**ACCREDITING
COMMISSION
for COMMUNITY and
JUNIOR COLLEGES**

*Western Association
of Schools and Colleges*

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July 2, 2012

Dr. Deborah Budd
Interim President
Berkeley City College
2050 Center Street
Berkeley, CA 94704

Dear President Budd:

The Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, at its meeting June 6-8, 2012, considered the Follow-Up Report submitted by the District and the Follow-Up Visit Report submitted by the team that visited the District on April 16-17, 2012. It also considered the Midterm Report submitted by Berkeley City College. The purpose of this review was to assure that the recommendations made by the evaluation team were addressed by the institution and that the College had also addressed the self-identified plans for improvement which were included in the institutional self study. The Commission took action to continue Berkeley City College on **Warning** and require that the College complete a Follow-Up Report by **March 15, 2013**. The report will be followed by a visit of Commission representatives.¹

Warning is issued when the Commission finds that an institution has pursued a course deviating from the Commission's Eligibility Requirements, Accreditation Standards or Commission policies to an extent that gives concern to the Commission. The Commission may require an institution to resolve its deficiencies, refrain from certain activities, or initiate certain activities. The Commission will specify the time within which the institution must resolve deficiencies and may subject the institution to required reports and evaluation visits. During the warning period the institution remains accredited.

The Commission acknowledges that the Peralta Community College District has made significant progress in addressing the recommendations of the Commission. The District has identified its Other Post-Employment Benefits (OPEB) liabilities, developed a plan, and initiated funding of that plan to address OPEB liabilities. The District has also acted to restructure its liabilities so that the District has achieved short-term financial stability and it is pursuing actions to resolve the long-term debt issues.

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The District has developed a Corrective Action Matrix to monitor its progress to address audit findings. It has addressed a substantial number of the audit exceptions and has prevented the issuance of new findings. The District has renegotiated its collective bargaining contracts and has secured agreements for three years to maintain control of retiree benefits. The District has been successful in its efforts to pass a parcel tax to provide additional revenue. The process of revising Board Policies has resulted in a substantial restructuring of the District Policies. A timeline has been developed that indicates that the policy review should be completed in July 2012.

However, not all recommendations have been completely resolved. The recommendations and associated notes below identify those remaining few areas that still require attention. It is incumbent on institutions to address recommendations, resolve deficiencies, and fully meet Eligibility Requirements, Accreditation Standards and Commission policies. Districts and colleges should ensure that steps taken to address recommendations lead the College toward continuous and sustained institutional effectiveness and aligns with the Standards.

Commission Recommendation 2:

In accordance with Standard III.D.2.a, c, and g and Eligibility Requirement #18, the District needs to resolve outstanding audit findings identified in the Department of Education letter dated May 20, 2011 referring to Audit Control Number (CAN) 09-2009-10795. That letter identifies the findings for each of the four colleges as those findings relate to Department of Education areas of funded programs including Title IV and Financial Aid. Additionally, the District should resolve all audit findings in the Vavrnick, Trine, Day & Co., LLP, Certified Public Accountants' audit reports for years 2008, 2009, and future audit reports 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.

Commission Recommendation 3:

While evidence identifies progress, the District has not achieved compliance with Standard III.D and Eligibility Requirement #17. Specifically, the District has not achieved 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 Eligibility Requirements, the District must assess its fiscal capacity and stability and implement actions to resolve the 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.

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Commission Recommendation 4:

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

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.

Commission Recommendation 5:

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

In reviewing the reports, the Commission noted that Berkeley City College has not fully evaluated the impact of recent financial decisions on the College's ability to sustain educational programs and services. The College did describe 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.

I also wish to inform you that under U.S. Department of Education regulations, institutions on sanction are expected to resolve deficiencies within a two-year period or the Commission must take action to terminate accreditation. Berkeley City College was expected to have met these recommendations by June 2011. The Commission has extended the time for the Berkeley City College to resolve deficiencies for good cause. The College must fully address the recommendations, resolve deficiencies, and comply with Eligibility Requirements and Accreditation Standards by **March 15, 2013**, or the Commission will be compelled to act.

The District Follow-Up Report and the Midterm Report will become part of the accreditation history of the College and should be used in preparing for the next comprehensive evaluation. The Commission requires that you give the District Follow-Up Report, the Follow-Up Visit Report, the Midterm Report, and the Commission action letter appropriate dissemination to your College staff and to those who were signatories of your College report.

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This group should include the Chancellor, campus leadership, and the Board of Trustees. The Commission also requires that the District Follow-Up Report, Follow-Up Visit Report, the Midterm Report and this Commission action letter be made available to students and the public. Placing a copy on the College website can accomplish this.

On behalf of the Commission, I wish to express continuing interest in the institution's educational quality and students' success. Professional self-regulation is the most effective means of assuring institutional integrity, effectiveness, and quality.

Sincerely,

A handwritten signature in cursive script that reads "Barbara A. Beno".

Barbara A. Beno, Ph.D.
President

BAB/tl

cc: Dr. Jose Ortiz, Chancellor, Peralta Community College District
Ms. Linda Berry, Accreditation Liaison Officer
President, Board of Trustees, Peralta Community College District

¹ Institutions that will be preparing and submitting Midterm Reports, Follow-Up Reports, and Special Reports to the Commission should review *Guidelines for the Preparation of Reports to the Commission*. It contains the background, requirements, and format for each type of report and presents sample cover pages and certification pages. It is available on the ACCJC website under College Reports to ACCJC at: (<http://www.accjc.org/college-reports-accjc>).