

January 27, 2020

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

Dear Dr. Budd:

The Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, at its meeting January 15-17, 2020, reviewed the Special Report and related evidentiary materials, including the Fiscal Crisis and Management Assistance Team (FCMAT) report and findings, submitted by Berkeley City College and the Peralta Community College District. The purpose of this review was to determine whether the College has appropriately responded to the issues first identified in November 2018, and again in June 2019, by the Commission through its fiscal monitoring process, per the Commission's Policy on Monitoring Institutional Performance. The Special Report was to take the form of a Five-Year Integrated Financial Plan and was to inform actions on:

- Establishing FTES Targets and Enrollment Management Plans
- Establishing a Student Success Infrastructure Plan to comply with the Student-Centered Funding Formula as announced by the California Community College Chancellor's Office
- Establishing guidelines to reduce operational overspending and eliminate the structural deficit
- Adopting a Board policy to adopt sustainable fund balances and reserves
- Adopting a restructuring plan to improve efficiencies and accountability at the District office and the Colleges
- Addressing all audit findings
- Establishing strategies to improve the management of the OPEB debt
- Providing an executive-level staff turnover analysis and recommendations to retain these staff at the district

Upon consideration of the report and evidentiary materials, the Commission acted to find continued non-compliance and **Impose Probation**. The College/District is required to **submit a subsequent Special Report, due no later than November 1, 2020** addressing the deficiencies, which will be followed by a **fiscal monitoring site visit**. The accredited status of the institution continues during the probation period.

The Commission found the College/District's Special Report provided insufficient information to verify the degree to which the deficiencies have been resolved, addressed, or corrected. Specifically, the Commission's findings are:

- It is not evident from the special report that the College/District has addressed foundational issues which have bearing on its fiscal health; this includes:
  - a continued structural deficit
  - lack of adherence to Board policies and administrative procedures
  - deficiency in reconciliation and financial control issues
  - key staffing issues
  - its OPEB obligations
  - ongoing unaddressed audit findings
- In several areas of the special report, the College/District has responded with corrective intent, but no evidence was provided that corrective actions are being implemented to address the noted deficiencies.
- The special report lacks the organizational structure, clarity and specificity of content.

The Commission requires the College to disseminate the Special Report and this letter within the institution, including by posting them on the College's website.

If you have any questions about this letter or the Commission's action, please feel free to contact me or the vice president that has been assigned as liaison to your institution.

Sincerely,



Richard Winn, Ed.D.  
President

RW/tl

cc: Dr. Regina Stanback Stroud, Chancellor, Peralta Community College District  
Ms. Kuni Hay, Accreditation Liaison Officer