Resolution of the Board of Governors
California Community Colleges
No. 2014-03

WHEREAS, Education Code section 84040 requires the Board of Governors of the California Community Colleges to adopt criteria and standards for periodic assessment of the fiscal conditions of community college districts and to develop appropriate procedures and actions for districts that fail to achieve fiscal stability; and

WHEREAS, the Board of Governors has adopted California Code of Regulations, title 5, section 58310 et seq., to implement that statute; and

WHEREAS, California Code of Regulations, title 5, section 58310, requires community college districts to report regularly regarding financial and budgetary conditions; and

WHEREAS, the Board of Governors has previously determined that the San Francisco Community College District (SFCCD) failed to comply with the principles of sound fiscal management as delineated in the Board of Governors' regulations; and

WHEREAS, by its letter dated July 3, 2013, the contents of which is incorporated herein, the Accrediting Commission for Community and Junior Colleges (ACCJC) has acted to terminate the accreditation of City College of San Francisco for failure to comply with numerous accreditation standards; and

WHEREAS, the evidence clearly supported the conclusion that SFCCD had failed to maintain fiscal integrity, faced imminent threats to its accreditation, and all efforts short of intervention had been unsuccessful;

WHEREAS, for the foregoing reasons on July 8, 2013, the Board of Governors passed Resolution No. 2013-04, the contents of which are incorporated herein, authorizing the Chancellor, in part, to suspend the authority of the Board of Trustees and delegate to the special trustee the rights, duties and powers of the governing board of SFCCD for the period of one year;

WHEREAS, City College of San Francisco under the guidance of the special trustee has made significant progress toward complying with all accreditation standards, and toward ensuring compliance with principles of sound fiscal management set forth in California Code of Regulations, title 5, section 58311;

WHEREAS, more time is needed to solidify this progress and ensure that City College of San Francisco fully complies with all standards, to ensure restoration of fiscal health, and to ensure a successful transition of governance responsibility back to the Board of Trustees of SFCCD; and now, therefore, be it
RESOLVED, that the Board of Governors of the California Community Colleges directs the following actions:

1. The Chancellor is authorized to continue the suspension through and including July 8, 2015, of the authority of the Board of Trustees of SFCCD, or of any members of that board, to exercise any powers or responsibilities, or to take any official action with respect to the management of the district, including any of the district’s assets, contracts, expenditures, facilities, funds, personnel or property.

2. The Chancellor is authorized to extend the appointment a special trustee as provided in Education Code section 84040 and California Code of Regulations, title 5, section 58312, at SFCCD’s expense, to manage the district for a year, through and including July 8, 2015.

3. The Chancellor is authorized to extend the delegation to the special trustee all of the rights, duties, and powers of the governing board of SFCCD to the full extent necessary to manage the district for a year, through and including July 8, 2015. This authority shall include assumption of all rights, duties and powers of the governing board of SFCCD, as set forth in Education Code section 70902, or in any other statute or regulation, to the extent deemed necessary by the special trustee in order for SFCCD to achieve fiscal stability or solvency, or to ensure compliance with the principles of sound fiscal management set forth in California Code of Regulations, title 5, section 58311, to maintain accreditation by ACCJC any other duties authorized by the Chancellor.

4. The special trustee is authorized to take actions the special trustee deems necessary to achieve fiscal stability and integrity, and maintain accreditation, including but not limited to the following:

   (a) Implement substantial changes in the fiscal policies and practices of SFCCD.
   (b) Revise the educational program of SFCCD to reflect realistic revenue projections in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all students.
   (c) Work with and respond to the recommendations of ACCJC.
   (d) Consult, for the purposes described in this Resolution, and as appropriate under the circumstances, with the governing board of SFCCD, the exclusive representatives of the employees, students, and the community.
   (e) Enter into collective bargaining agreements with the exclusive representatives of SFCCD.
   (f) Any action authorized under California Code of Regulations, title 5, sections 58312 and 58314.

Dated: July 7, 2014

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Manuel Baca, President
Board of Governors California Community Colleges