

**Resolution of the Board of Governors
California Community Colleges
No. 2016-05**

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, consistent with Education Code Section 84040, the Board of Governors adopted California Code of Regulations, title 5, section 58310 et seq.; and

WHEREAS, in 2013 the Board of Governors determined that the San Francisco Community College District (SFCCD) failed to comply with the principles of sound fiscal management as identified in Title 5, section 58310 et seq.; and

WHEREAS, on July 8, 2013, the Board of Governors adopted Resolution No. 2013-04, authorizing the Chancellor, in part, to suspend the authority of the Board of Trustees and delegate to a special trustee the rights, duties and powers of the governing board of SFCCD for the period of one year; and

WHEREAS, on July 7, 2014, the Board of Governors adopted Resolution No. 2014-03, authorizing the Chancellor, in part, to continue the suspension of the authority of the Board of Trustees and the delegation to the special trustee the rights, duties and powers of the governing board of the SFCCD for the period of one year; and

WHEREAS, on July 20, 2015, the Board of Governors adopted Resolution No. 2015-02, authorizing the Chancellor, in part, to extend the appointment of a special trustee for a period of one year and authorizing the special trustee to stay or rescind any actions taken by the SFCCD board of trustees if deemed inconsistent with the district's recovery, fiscal stability and integrity, and continued accreditation; and

WHEREAS, the Board of Governors has gradually reduced the authority of the SFCCD special trustee as part of the transition back to full local control; and

WHEREAS, with the assistance of the special trustee, City College of San Francisco continues to make significant progress toward ensuring compliance with principles of sound fiscal management set forth in Title 5, section 58311; and

WHEREAS, on April 4, 2016, the Fiscal Crisis Management Assistance Team found that City College of San Francisco has, and is adhering to, prudent fiscal policies and practices; and

WHEREAS, consistent with Education Code section 84750.6, SFCCD continues to receive stabilization funding for fiscal year 2016-2017; and

WHEREAS, the Board of Governors desires to maintain a special trustee in an advisory capacity at SFCCD to complete the transition to local control and provide accountability for the state stabilization funds received by SFCCD ; and

WHEREAS, the Board of Governors intends to solidify the progress made at SFCCD to date and ensure that City College of San Francisco fully complies with applicable standards, to ensure restoration of fiscal health, and to complete the transition of governance responsibility back to the Board of Trustees of SFCCD on January 1, 2017.

THEREFORE, BE IT RESOLVED, that the Board of Governors of the California Community Colleges directs the following actions:

1. The Chancellor is authorized to extend the appointment of the special trustee as provided in Education Code Section 84040 and California Code of Regulations, title 5, section 58312, at SFCCD's expense, to assist SFCCD in an advisory capacity until the end of the calendar year, through and including December 31, 2016.
2. The special trustee is authorized to assist SFCCD in an advisory capacity to ensure that SFCCD's proposed budget(s) and expenditures are consistent with the district's recovery, fiscal stability and integrity, and continued accreditation.
3. The special trustee shall report regularly to the Chancellor regarding the district's progress, including the implementation of action plans necessary to meet accreditation standards and eligibility requirements. If at any time the special trustee determines that the district's recovery is in jeopardy, he/she shall recommend corrective actions to the Chancellor.

Dated: July 18, 2016

Geoffrey L. Baum, President
Board of Governors
California Community Colleges