



Office of the Chancellor

September 23, 2020

Attached you will find a letter from the ACCJC. I think it's important to share this letter with you so that everyone stays informed.

It is no secret that the College has had financial challenges over the last six years. Every year the College has submitted its financials for an independent audit and every year those results have highlighted our structural budget issues. Based on information, which we have to provide to the ACCJC annually, the Commission has decided to place the College on what is known as "enhanced monitoring." Enhanced Monitoring is not a sanction. The College is now obligated to provide additional information to the ACCJC by December 4, 2020, indicating how it intends to improve its financial condition.

The District is confident it can address the financial issues outlined in this letter. The College has developed a variety of budget scenarios that are being reviewed through an internal governance process before the Board reviews them at a special Board of Trustees meeting on October 8. A final budget and five-year budget plan will be approved at the October 22 Board of Trustees meeting.

In the meantime, I want to reassure our students, faculty and employees that our academic programs are as solid as ever with our dedicated faculty and staff having the best interests of our students at heart. We will continue to stay focused on our mission to educate students and ask that you do the same. I will continue to hold my open forums and provide information when it becomes available.

There are some difficult decisions before us, and this letter is a reminder of what is truly at stake. I am confident that working together we will get through this.

Yours sincerely,
Rajen Vurdien, Ph.D.
Interim Chancellor

September 23, 2020

Dr. Raj Vurdien
Interim Chancellor
City College of San Francisco
50 Frida Kahlo Way
San Francisco, CA 94112

Dear Dr. Vurdien,

Thank you for your consistent notifications and updates regarding City College of San Francisco's fiscal condition. I have found our conversations to be very productive and I look forward to supporting your efforts as you and the college's board continue to work together, along with the appropriate constituency groups, to address the institution's fiscal issues. As we discussed during our most recent phone call, ACCJC has completed its analysis of the college's 2020 Annual Fiscal Report. The findings from this analysis align to the issues that you have brought forward to ACCJC.

As you know, federal regulations and ACCJC policy require the Commission to monitor member institutions' fiscal stability annually, as part of its accreditation review, in order to ensure that accredited institutions are able to continue to meet their missions and ensure ongoing viability for the students they serve.

ACCJC uses its Composite Financial Index (CFI) to assess institutional finances, as provided by the institution. The factors used in the CFI include the primary reserve ratio, net operating revenue ratio, salary and benefit percentages, enrollment declines, audit findings, and other financial assessments. Based upon the analysis of the data, institutions are scored within one of three categories: fiscally healthy, moderate risk, or at-risk. Institutions that score within the at-risk category are placed on enhanced monitoring by ACCJC. As we discussed during our conversation, City College of San Francisco has been identified as at-risk, therefore the college is being placed on enhanced monitoring for the following factors:

- Deficits averaging \$13.3 million over the three year reporting period
- Cash reduced from \$53 million to \$575,000 over the three year reporting period
- Net operating revenue ratio averaged -8.3% over the three year reporting period
- Salaries were 92.3% of total expenditures in 2018-19
- Multiple leadership turnover
- Audit finding: financial condition of the District

As part of the enhanced monitoring process, institutions must update the Commission on plans undertaken to address the fiscal factors listed above. Your response can be in the form of an electronic letter addressed and emailed to me and must be received by **Friday, December 4, 2020**. Institutions on enhanced monitoring that fail to address their fiscal issues may receive an adverse action by the Commission. In the meantime, I am available to you and your leadership team should you have any questions or need assistance. You may reach me via email at sdroker@accjc.org.

Sincerely,



Stephanie Droker, Ed.D.