

October 8, 2021

Ms. Dianna Gonzales
Interim Chancellor
City College of San Francisco
50 Frida Kahlo Way
San Francisco, CA 94112

Dear Ms. Gonzales,

Thank you for taking the time to discuss City College of San Francisco's 2021 annual fiscal report findings with me. I found our conversation to be very productive. As we discussed, City College of San Francisco has been placed on enhanced monitoring for the second year. 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.

Per ACCJC policy and federal regulations, ACCJC is required 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 data submitted by the institution, 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 scored in the at-risk category for the second year, for the following factors:

- Fund balance reserve averaged 8.5% over the three-year reporting period
- Average net operating ratio was -8% of the three-year reporting period
- Deficits over the three-year reporting period averaged -12.5%
- Full-time equivalent students (FTES) declined by 12%
- Salaries and benefits averaged 91.2% of total expenditures
- Other post-employment benefits (OPEB) trust only 18.3% funded
- Audit had 7 findings, District was listed as a "going concern" (running out of funds and cash within next fiscal year)
- Cash was down 30%

* Note: One time transfers-in are not included in the composite financial index calculations

As part of the enhanced monitoring process, institutions must update ACCJC 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 3, 2021. Institutions on enhanced monitoring for three consecutive years who 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, or via cell phone at 415-763-9789.

Sincerely,



Stephanie Droker, Ed.D.