

**REPORT OF THE WSCUC VISITING TEAM**

**SPECIAL VISIT**

**TO**

**CHARLES R. DREW UNIVERSITY**

**OF MEDICINE AND SCIENCE**

February 25 – 27, 2015

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The team evaluated the institution under the 2013 WASC Senior College and University Standards of Accreditation and prepared this report containing its collective evaluation for consideration and action by the institution and by the WASC Senior College and University Commission [WSCUC].

The formal action concerning the institution's status is taken by the Commission and is described in a letter from the Commission to the institution. This report and the Commission letter are made available to the public by publication on the WSCUC website.

## **Introduction**

Charles R. Drew University of Medicine and Science [CDU] offers a range of medical and health-related academic programs through its College of Medicine, College of Science and Health, and School of Nursing, including a medical education [MD] program in partnership with the David Geffen School of Medicine at UCLA, an associate degree in Radiologic Technology, a baccalaureate degree in Health and Life Sciences, a master's degree in Urban Public Health, and a three-track Master of Science in Nursing [MSN].

According to the Special Visit Report, the focus of the University is on offering "an array of academic programs for students seeking a health professions education and who desire to practice as healthcare professionals in underserved communities." It sees itself as "continuing to develop as a private university with a public mission." Fairly atypically for an essentially graduate-level institution, it has articulated a set of four cross-program university learning outcomes [ULOs] in clinical service excellence, academic and social research, compassion and cultural sensitivity, and professionalism. In order to assist students in attaining these outcomes, the University has integrated the ULOs with the various program learning outcomes [PLOs].

The University was first accredited by the Senior Commission of the Western Association of Schools and Colleges [WSCUC] in 1995. It was placed on Probation in 2009. A Special Visit in February 2011 led to a Commission action letter of July 5, 2011 which called upon the institution to make concerted efforts to increase enrollment and fundraising and demonstrate financial sustainability; to address a number of inter-related issues concerning the faculty; to continue to analyze student retention and graduation; to

show further development of its assessment capabilities; and to “provide completed program reviews and examples of improvements made as a result of program review and assessment.” The Commission removed the University from Probation, issued a Formal Notice of Concern, requested an Interim Report in March 2013, and called for another Special Visit in spring 2014.

The institution’s Interim Report resulted in a WSCUC staff letter dated June 17, 2013, which noted the “substantial progress achieved by the institution” and recommended that the next Special Visit be moved to spring 2015, with a Progress Report on finances in the interim. For the 2015 visit, the institution was asked to continue to focus on the issues indicated in the Commission’s July 5, 2011 letter and to pay special attention to demonstrating the relationship between strategic planning, financial sustainability planning, fundraising, and budgeting. The Progress Report submitted in February 2014 was determined by WSCUC to be precise, direct, and “comprehensive—all items were embraced appropriately.”

The team found the Special Visit Report and supplementary documentation to be very responsive to the above issues. The Report was comprehensive, well-structured, well-written, and extremely candid in dealing with the various issues that have been facing the institution. A number of the institution’s endeavors in response to Commission concerns—and to internal organizational structure issues—are in process and not completed. Therefore, a goodly amount of the team’s work during the visit itself was geared toward ascertaining both how much has actually been accomplished and how successful the institution is likely to be in completing what it has set out to do.

The team found the institution to have a very high-quality, knowledgeable, and engaged Board of Trustees and a committed, dedicated, and even passionate faculty. They and their forward-thinking President are engaged in rebuilding the institution after a period of serious financial downturn. According to one faculty member [and echoed by others]: “We have been through the fire together. For so long the struggle has just been for survival. We were in the ER and are now in Rehab.” The President made it clear that his vision is that of “resurrection and transformation.” He is committed to moving the institution from an essentially research focus to that of a more comprehensive higher education one. He espouses a “One University” concept and embraces the challenge of integrating all of the institution’s colleges and programs within it. He and many others also recognize that another challenge facing the institution is that it is, by designation, “an historically Black institution” located in a community that is becoming more and more Hispanic.

As the team began to structure its visit, it determined that it would do so around the issues identified above, grouping them into four key areas:

- Enrollment, retention, and graduation, and supporting student success
- Organization structure, decision-making, faculty governance, workload policies, grievance procedures, and support for professional development
- Assessment and program review and improvements made as a result
- Strategic planning and financial sustainability

It is to these four areas that the team report will now turn, before concluding with a set of commendations and recommendations.

## **Enrollment, Retention, and Support for Student Success**

### **[CFRs 1.2, 1.6, 2.10, 2.12, 2.13, and 4.1]**

The February 25-27, 2015 Special Visit was structured around issues identified in a February 2011 Special Visit and cited in a July 5, 2011 Commission Action Letter. In that communication, the Commission reported that the institution lacked good data related to student retention and graduation rates and that it needed to make concerted efforts to increase enrollment.

The 2015 Institutional Report and related documents addressed a number of these issues. This section of the team report summarizes progress to date in terms of managing student enrollment, assessing retention and graduation rates by program, and developing strategies designed to insure student success. Data for this section were drawn from the Institutional Report, supporting documentation, and interviews conducted with campus administrators, the Board of Trustees, faculty, staff, and students, including individuals from the Student Success Working Group, Student Support Services, and the Student Success Team.

A review of *Required Data Exhibits to Support Special Visit Reports & Interim Reports* demonstrated significant increases in student enrollment headcount over the past seven years. Data revealed an increase from 301 students in 2008 to 550 in 2014. These increases were noted exclusively in graduate degree and certificate programs and were attributed in large part to the opening of the School of Nursing (SON). A plan to offer a Master's Degree in Physician Assistant Studies in 2016 should further increase enrollment.

An analysis of Headcount Enrollment by Level [Fall term] revealed that graduate headcount increased from 38 (11% of total headcount in 2008) to 280 (46% of total

headcount in 2014). Enrollment in post-baccalaureate and post-masters certificate programs increased from 41 (12% of total headcount in 2008) to 133 (22% of total headcount in 2014). A small increase in headcount was also observed in the Medical School: from 103 in 2008 (29% of total headcount) to 121 in 2014 (20% of total headcount). The 2014 percentage drop is attributed to significant enrollment growth in other degree/certificate categories.

Documentation revealed substantial decreases in undergraduate headcount between 2008 and 2014. Lower division headcount dropped from 94 (12% of total headcount) to 46 (8% of total headcount); upper division headcount dropped from 76 (22% of total headcount) to 23 (4% of total headcount). Interviews during the site visit reported that the campus suspended admission of first-time freshmen in Fall 2013 due to declining enrollment and a lack of support services. After careful analysis of learning outcomes and fiscal implications, CDU also decided to close Associate Degree programs in Health Information Technology and Pharmacy Technology, which were housed in the College of Science and Health (COSH).

A concerted effort is now being made to develop articulation agreements with local community colleges and recruit community college transfer students to CDU to complete a baccalaureate degree. However, the campus has only one baccalaureate option available in the COSH and it has been poorly enrolled. President Carlisle did articulate a desire to develop a variety of baccalaureate options in the future that would provide a pathway for diverse and underserved individuals to graduate education in many health science professional programs. Though the anticipated move of the Associate Degree Program in Radiologic Technology to a baccalaureate level will provide a second degree option, more

programs will need to be developed if the campus is to achieve its desired goal of admitting about 1,000 students. It is the view of the Special Visit team that the campus will have to engage in very careful strategic planning regarding new degree options at various degree levels, create a more structured approach to enrollment management, and develop a very detailed Enrollment Growth Plan to insure success.

While enrollment management implies strategies for student recruitment and admission, student retention needs to be measured as an indicator of a desirable student experience and a predictor of graduation rates. The *Student Achievement Dashboard* on the campus website provides aggregated data on student retention, graduation, and professional licensure rates as indicators of student success.

The three-year retention rate for students in the UCLA-Drew Medical Program was 100%; and matches for residency placements after graduation were deemed comparable to other medical schools. Retention and graduation rates for other degree and certificate programs were also tracked as student success indicators. The three-year retention average for students moving into the second year was lowest for students in the Bachelor of Science Program in Health and Life Sciences. Their retention rate was 63%; and only 12% of students maintained satisfactory academic progress and graduated within six years. Also of concern was the fact that only 14% of students in the post-baccalaureate certificate program completed their program within 150% of the anticipated timeframe. The Institutional Report attributed lack of certificate completion to the fact that students utilized this educational option as a strategy to seek admission to medical school; they did not consider certificate completion an important goal. These findings suggest a need to refine the curriculum in the baccalaureate program and certificate program so there are

desirable career options associated with completion, as well as improved opportunities for admission to medical school.

The Institutional Report also provided data regarding the number of degrees and certificates awarded by CDU. The data show a significant increase in awards of master's degrees: 18 (13% of total) in 2008 to 181 (70% of total) in 2014. There also was a small increase in MD graduates: 27 (10% of total) in 2008 to 31 (12% of total) in 2014. Decreases were noted in the number of associate degrees awarded: 24 (17% of total) in 2008 to 20 (8% of total) in 2014. In addition, bachelor's degrees decreased from 33 (23% of total) to one (less than 1% of total) and certificates from 42 (29% of total) to 26 (10% of total).

Licensure pass rates were provided in the Institutional Report as additional indicators of student success. Two programs had recent drops in pass rates. The Radiologic Technology Program experienced a drop from 85% in 2012 to 61% in 2013, which the self-study attributed to the extended leave of the program director who was also the primary educator. This suggests that faculty need to be sufficient in number and depth of expertise so that the absence of a single individual does not lead to a drop in test scores of graduates.

The Entry Level Nursing program (ELM) in the SON experienced a drop in NCLEX exam scores from 95% in 2012-13 to 48% in 2013-14. Though the structure of the NCLEX exam changed that year, the drop in scores was much lower than experienced by most other nursing schools in the state. When asked about this, the Associate Dean for the SON reported that faculty had done a detailed analysis of performance of individual students and found the failing scores to be generated by nursing students from an earlier cohort who had waited years before taking the NCLEX exam. The faculty are working with these students who failed the exam and are including them in review courses and special tutoring

efforts to insure improved performance on future NCLEX attempts. This is an important strategy that underscores the need to insure that program graduates are well prepared to take the licensure exam. An additional strategy was implemented Fall 2014, when the SON incorporated the HESI (Health Education Systems Incorporated) exam into the curriculum. They now provide extra grade points for students who score 850 or higher on the exam. Since HESI scores are predictive of performance on the NCLEX, they are used by many nursing programs to insure students are ready for the NCLEX exam before graduation.

Group interviews during the site visit revealed additional strategies to insure student success at CDU. All academic programs provided orientations for new students and assigned academic advisors. Additional staff in Student Services has resulted in improved Admissions, Financial Aid, and Registrar services. A new Learning Resource Center is opening to provide tutoring and testing services as well as access to a Personal Career Counselor and Retention Coordinator. Faculty and staff identified the need to expand services that would improve writing skills, and students identified the need to expand student life opportunities on the campus. Specific requests by students included space for clubs and organizations to meet, an exercise room, and a cafeteria where students could purchase hot, healthy food. In addition, students asked for institutional support for travel to professional conferences and social activities that would bring students together from different programs. It was also noted that COM students utilize a UCLA email address and are not part of CDU listservs used to communicate campus news and events. Their inclusion in CDU communications is important if they are to develop a connection with CDU as their primary campus.

## **Organizational Structure, Decision-Making, Governance, and Faculty-Related Issues**

**[CFRs 3.1, 3.2, 3.3, 3.6, 3.7, 3.8, 3.9, and 3.10]**

In its July 5, 2011 letter, the Commission commended the campus for progress in faculty involvement in University decision-making and encouraged continued development of faculty roles and responsibilities, especially in regard to “finalizing the faculty workload policy and grievance procedures.” It also acknowledged that a reorganized Board of Trustees had “taken decisive action to address concerns about finances, obtain new funding, reform organizational structures, and support the work of the Academic Senate.”

The Institutional Report was extremely responsive in demonstrating continuing campus endeavors in all these areas. Specifically, the report noted substantial progress in consolidating the faculty peer review and grievance policies and practices, in codifying a peer-driven process for changes in employment status, and in providing full-time faculty with greater security of employment through a new approach to faculty contracts removing them from “at will” status. It gave evidence of increased attention to issues of shared governance, including the establishment of a university-wide committee on shared governance and a campus chapter of the AAUP. It spoke to a fully operational Appointment and Promotion [A&P] Committee of the Academic Senate and a Senate endeavor aligning college and school A&P guidelines with university-level policy. It praised the “extensive engagement by and among faculty in the annual CDU budget and planning process.”

On the other hand, the report also indicated that much of the senior administrative leadership is interim; that faculty lack experience with a mature shared governance system; and that there is insufficient engagement on the part of the Board of Trustees and

senior management with faculty. Additionally, it referenced a 2014 Academic Senate-conducted climate survey of faculty that provided some disturbing data:

49% of responding faculty agree that “there is a climate of fear and retribution at CDU”; 79% say the responsiveness of the administration to the needs of the faculty is fair to poor; 62% say administration communication with faculty is fair to poor; 75% say the transparency of budget allocations is fair to poor; and 72% say the consultation with faculty on policy decisions is fair to poor.

The visiting team held a number of meetings on campus related to issues of shared governance and faculty employment, workload, compensation, and grievances. Specifically, meetings were held with the faculty leadership, Shared Governance Committee, Faculty Affairs Working Group, Faculty Appointments and Promotions Committees [including representatives from both college and Senate committees], and selected administrators. Additionally, there was a campus-wide meeting of University faculty and a lunch meeting with members of the Board of Trustees. Policies reviewed included the Academic Senate faculty workload, grievance, appointment and promotion appeals, academic program opening and closing, and Institutional Base Salary [IBS] policies. Also reviewed were documents relating to the roles and responsibilities of the Academic Senate, Legislative Council, and Senate committees.

Detailed discussions were held on issues related to governance and faculty welfare and wellbeing. These discussions led to the following findings:

In regard to governance, the team found a consensus of openness and commitment to improving collegial relations among faculty, administration, and Board. From Board members, to the President and Interim Provost, to faculty leaders, to faculty in general,

there was a recognition that communication, dialogue, and transparency had indeed improved on the campus, though even the Board has seen the need to push the administration to create more venues and forums for increased communication. The new Committee on Shared Governance, though in its infancy, has been greeted with cautious optimism. Though having a Board member chair the committee has suggested a top-down approach to the matter on the part of some faculty, most appear to be taking a wait-and-see attitude regarding possible results. One faculty member indicated that there is a lack of mutual understanding of what shared governance is. According to another, “we are in marital counseling.” There appears to be agreement that there is a need to move from a stakeholder model to a collaborative decision-making model of shared governance.

Regarding the present governance process, most agree that the structures in place are appropriate and acceptable. However, it is also apparent to the team that, given the University’s particular growth history and the Senate’s self-styled designation as “a federation of the governing faculties of the University’s colleges,” there is some duplication of effort and lack of clarity between and among college, Senate, and University committees. The new policy on the opening and closing of programs has brought faculty squarely into the loop in this important area. However, the establishment of the Academic Program Review Committee under the aegis of the Provost rather than that of the Senate complicates the decision-making structure. On another front, there is still concern that the grievance policy—whose “purpose is to bring consistency and uniformity among the overlapping processes and procedures of the four separate and distinct faculty grievance committees” [including the three college committees and that of the Academic Senate]—is

not working acceptably, perhaps in part because of the unresponsiveness—some faculty would say intransigence—of the administration.

A major blow to the institution was that, through no fault of its own, it lost its teaching hospital. One consequence was the loss of clinical rotation sites for its third and fourth year medical students and the need to search for alternate sites. Another consequence was the move of a significant number of compensated clinical faculty to non-compensated status. These faculty were previously compensated by the County of Los Angeles through Martin Luther King Hospital and not CDU directly. They presently make up approximately 50% of the total faculty complement of the University and retain full voting membership on the Academic Senate. A number of them are also in significant leadership positions. There is no question that this situation has had a distorting effect on University governance.

In regard to issues relating to faculty wellbeing, there appears to be consensus that the faculty appointment and promotion process is working well, except perhaps for the timeliness of responses and decisions from the administration. On the other hand, the issues that have generated the most discussion and conflict are those relating to contracts and compensation.

Regarding contracts, it is only since January of 2015 that they have been awarded, and even then for just six months. Previously, all faculty were considered “at will” employees, even though a large number have been working on campus for years. As of July 2015, approximately 65 faculty members will receive one-year contracts with guaranteed incomes under a newly developed Institutional Base Salary policy and process. While most

faculty are pleased with this development, there is now a call for greater stability of faculty employment and the possibility of multi-year contracts.

Regarding compensation, a major faculty frustration is that promotion in rank is not correlated with automatic “step” increases in salary. Responses heard are that a number of factors come into play here, including appointment status, rank, series [faculty category re. teaching, research, and clinical service], market conditions, and productivity. All are agreed that this issue is in need of resolution.

Additional matters causing frustration include what some faculty see as “mission creep” on the part of the Office of Human Resources. Others focus on the sometimes serious payroll glitches causing lengthy delays in salary payments or incorrect paychecks. [In response, the Provost’s Office has recently been allocated a 1.0 FTE position to improve the situation.] In another arena, lack of significant support for faculty professional development, especially for junior faculty, together with the lack of a formal faculty professional development process, provide cause for concern for some. Faculty also cite the number of interim executive- and dean-level administrators as negatively impacting shared governance and decision-making. They look positively to the impending hire of a first-ever Executive Vice President of Academic Affairs who, it is hoped, will be a true academic leader for the institution.

### **Assessment and Program Review [CFRs 1.2, 2.3, 2.4, 2.6, 2.7, 4.1, 4.3, and 4.4]**

In 2009, the Commission found that “assessment at CDU [was] not at the minimum level expected for reaffirmation of accreditation.” It called for an ongoing educational performance improvement process including development of program learning objectives and assessment plans for all programs, use of data to demonstrate effectiveness or improve

student learning, and regular processes for program review. The lack of good data on retention and graduation was also noted.

In 2011, the Commission noted progress in this area and commended CDU for having embraced “a culture of assessment” and for establishing a process for program review. It urged that continued progress in this area be made by ongoing professional development as well as continued development of analyses of student retention and graduation. It called for demonstration by 2014 of “a capacity to engage in and use assessment effectively, and to provide completed program reviews and examples of improvements made as a result of program review and assessment.”

The Institutional Report provides a thorough explanation of the efforts to establish a “culture of assessment” throughout the University. First, the University created a working group that proposed four university-level learning outcomes (ULOs) consisting of:

- Excellence in Clinical Service, with students demonstrating excellence in their chosen field of study
- Academic and Social Research, with students evaluating, using, and/or conducting research
- Compassion and Cultural Sensitivity, with students demonstrating compassion and cultural sensitivity and a special commitment to serving diverse and underserved populations
- Professionalism, with students demonstrating responsible, empathetic, and ethical professional behavior.

These ULOs required integration with each program’s benchmarks established by national accreditation and licensing agency standards. For those programs that did not

have program-specific external standards, the University used WASC core competencies.

Finally, course learning outcomes applied these ULOs to each course offering. In the examples of learning outcomes provided, student performance on internal and external assessments of knowledge predominated.

The Institutional Report also describes the Academic Program Review process. An Academic Program Review Committee (APRC) chaired by a faculty member and composed of faculty representatives from each college plus administrators forms the nexus of this process. It conducts reviews of programs synchronized to national accreditation visits and provides advice to the Provost. For those programs that do not have external accreditors, the APRC review is timed based on the length of the academic program's existence. The program conducts a self-study. An external reviewer comments on the self-study. The APRC provides comments and suggestions to the Provost. The Provost, college, and program sign a memorandum of understanding memorializing the steps to be taken to improve the program. This process has at least supplemented other factors in determining to close the Health Information Technology program. Another example of this process providing input to an administrative decision relates to the decision to only take transfer students into the Health and Life Science bachelor's program.

To focus on these issues, the team met with members of the University's Academic Senate Student Learning and Assessment Committee, the relevant assessment committees in each college, the program directors and faculty in Health and Life Sciences, Nursing, and Urban Public Health, and the APRC. These discussions helped confirm the information in the Institutional Report and also provided reassurance on several other points.

The faculty members described faculty development that initially consisted of individual faculty members attending seminars and conferences on the subject [including those provided by WASC] and then coaching colleagues in such skills as student assessment. Onsite faculty development has also been offered. The faculty members in these groups seem knowledgeable and enthusiastic about the assessment process.

Student learning outcomes are reviewed by faculty after each course and within each college on an annual basis. These are reported to the Student Learning and Assessment Committee which is starting its work in this area. The examples provided in the Institutional Report of student learning outcomes tended to focus on knowledge as assessed by course or external exams. The ability of the University to influence the College of Medicine course offerings during the first two years while its students are taking courses at the Geffen School of Medicine is limited to the provision of special coursework and suggestions to the Curriculum Committee at the UCLA medical school. In the other two colleges, the deans described sophisticated assessment processes.

The APRC has been in existence for several years. It is now providing more structured reviews by establishing timelines for the process, providing templates to guide the process, and producing recommendations that have been implemented by various programs. The programs appear to appreciate the effort. That APRC evaluations have resulted in changes is confirmed by an anecdote: When the Health Information Technology program was closed, faculty members expressed their displeasure to the members of the APRC that the review process had led to this! In the case of the change in admissions to the Health and Life Sciences bachelor's degree program [from freshmen to junior transfers

only], APRC recommendations were seemingly only one of several factors that led to this.

Nevertheless, the APRC has been active and has come to be seen as being constructive.

The Health and Life Sciences program faculty described their journey in these areas. They started work in 2011 as their programs were reformulated. They created program learning outcomes and mapped the curriculum and assessments with the guidance of the director of the Public Health program. They reviewed their programs annually and incorporated data and individual student issues to improve the programs. They completed their self-assessment and submitted it to the APRC. They found the APRC evaluation useful and confirmed they have used the APRC recommendations to further refine their program.

In Nursing, major changes to the curriculum resulted from various assessments of student learning. In Urban Public Health, learning assessments discovered student deficiencies in biostatistics, research methods, and critical writing. Curricular changes and changes in the sequencing of courses resulted, as well as the seeking and securing of a mini-grant from the University to offer a summer workshop to help students improve in these areas.

The work of the APRC has been hampered by lack of secretarial support. Members note that the chair types the minutes and the reports herself. They mentioned that they hesitated to alter these documents because they knew it would cause the chair additional work. In a similar way, the members hesitated to make additional requests of the Institutional Research and Effectiveness Director because they knew he would need to find additional time for these efforts. The members of the APRC did not feel their work has been negatively affected by the changes in provosts, but they did mention an incident where they rushed to complete a report so that it could be acted upon before the departure

of a provost. They also mentioned that changes in provosts may have delayed the signing of some of the memoranda of understanding. The members of the APRC indicated that their recommendations are accepted by the programs with or without the memorandum of understanding. In the future, the APRC will also review administrative programs that report to the provost, but not those programs that report to other administrators.

A number of recommendations regarding assessment and program review would include:

- a. having the Student Learning and Assessment Committee collaborate with the Provost's Office to assure that its insights regarding student assessments are available to the administration. This would avoid duplication of compiling and reporting these measures and help coordinate its work with that of the APRC.
- b. having additional information technology, data analysis capacity, and clerical support be provided to the Student Learning and Assessment Committee and the APRC to assist them in their work.
- c. having students be fully informed of (and perhaps even participate in formulating) the student learning assessments being used.
- d. broadening the focus of student learning outcomes from mostly the area of knowledge to include qualitative and quantitative assessments of all four university-level learning outcomes. This might include career outcomes such as the percentage of Health and Life Sciences students who are placed in their desired professional programs and the percentage of physicians, nurses, radiation technologists, and public health graduates serving in South Los Angeles and in other roles cited in the University mission.

- e. creating a process to review all administrative programs.

## **Strategic Planning and Financial Sustainability [CFRs 3.4, 3.7, 3.8, 3.9, 4.2, and 4.6]**

The February 2011 Special Visit Team Report noted that, throughout most of its history, Charles Drew University has faced numerous financial situations that have challenged its very existence. In its July 5, 2011 letter, the Commission further noted that “CDU’s accreditation history demonstrates a pattern of falling out of compliance with one or more Commission standards, usually in the area of financial sustainability, followed by a period of focused, energetic redirection in part in anticipation of an upcoming WASC visit, followed by a lapse or near-lapse in one or more areas of compliance.”

With that history in mind, the Commission commended the campus for the swift and effective steps that CDU has taken to address the financial position deterioration to a financial crisis. Specifically, the Commission letter noted that the financial position of CDU has improved and noted evidence of improvements in terms of both expense reductions and revenue enhancement. On the expense side, there was improved management of expenditures, an unqualified audit for 2010, a formalized budget process, approved financial policies, restored compliance with revised loan covenants, and reduction of debt. On the revenue side, the campus had received substantial funding that it hoped for, had seen increased net tuition revenue, federal grants, and investment performance, and was able to get suspended funding restored.

However, the Commission also noted that, while the administration had taken bold and effective actions to stabilize its financial situation, it would be essential for the campus to demonstrate that these developments were being sustained into the future. The Commission letter urged careful and continuous monitoring of expenses and revenue from

both enrollment and fundraising to ensure that plans are on track and to allow for rapid response to changes or unmet targets.

The present visiting team has noted that the institution has taken steps to stabilize its financial situation, including refinancing of long-term debt, reducing expenses with a focus of “spending within our means,” and a more disciplined approach to financial management. As part of the team’s assessment, meetings were held with executive and faculty leadership, the Budget and Finance Committee, Financial Affairs Working Group, Office of Finance, Office of Sponsored Programs, and selected PIs and grant administrators. Additionally, there was a campus-wide meeting with University faculty and a lunch meeting with members of the Board of Trustees. Documentation reviewed included the Single Audit Reports, Reports to the Audit Committee of the Board of Trustees, Finance Reports to the Board of Trustees, Budget Preparation presentations, Monthly Research Spending Meeting presentations, Strategic Plan, and Three-Year Plan for Development. These discussions and document reviews led to the following findings:

The University completed a new bond offering of approximately \$33 million in December 2014. These new bonds will be outstanding for a term of five years and will terminate in January 2020. This structure will have a total cost of capital rate of roughly 6.2% when combined with the interest rate swap contract and allows the University to have predictable monthly payments for the next five years. Given the relatively short-term refinancing requirement within five years, it is critical the University expeditiously engage in meaningful and realistic strategic planning and multi-year financial plans, both as part of its continued dedication to its established mission and to assure its sustainability. This strategic planning will allow the University to tell its story to potential bond holders,

coupled with the improving and sustainable trajectory of programmatic and financial accomplishments.

The University's results for fiscal 2014 were positive, with an increase in unrestricted net assets of \$1.5 million. On the revenue side, tuition and fee revenues remained constant at \$12.6 million for both fiscal 2013 and 2014. Total federal, state, and private grants, contracts, and gifts increased slightly in fiscal 2014, as compared to fiscal 2013. On the expense side, total expenses increased 2% in fiscal 2014; this was primarily comprised of an increase in research and academic support expenses, offset by a decrease in instructional and institutional support expenses. The strength of the University's balance sheet has improved with cash and cash equivalents of \$11.4 million and restricted endowment investments of \$86.6 million, as of June 2014. The University should consider its improvements in financial sustainability as the beginning of a longer-term trajectory, with a heightened emphasis on unrestricted operating results.

The team understands the University has made progress in realizing an effective and efficient accounting and finance department. Monthly reports are distributed to all department managers by the 10<sup>th</sup> day of each month. The external audit report for fiscal 2014 identified no material weaknesses; however there were significant deficiencies identified. One finding noted was that "the University did not properly or timely reconcile several of its accounts as part of the financial close process, which resulted in a number of financial statement adjustments."

The Office of Sponsored Programs (OSP) has likewise made significant progress in formalizing a clear navigational path from pre-award to post-award activities. This path includes monthly reports, as well as periodic "harmonization meetings," where principal

investigators explain the grant, OSP reviews award terms and conditions, and the Finance Office presents current financial status reports. Providing future improvements, OSP is performing final testing of the e-grant stand-alone electronic compliance, reporting, and tracking system, with the plan of going live in mid-2015. One area of concern noted was the need for improved integration of Human Resources with award activities and labor reporting.

At the time of the team's Special Visit, the Chief Financial Officer and Chief Budget and Planning Officer positions were filled on an interim basis, with the Controller position backfilled with current finance staff. To ensure continued fiscal discipline to the operations, it is important that the University recruit and retain permanent financial leadership.

The University has made positive steps and there is evidence of progress in its budget planning and monitoring process over fiscal 2014 and 2015, and with the fiscal 2016 budget that is underway. The budget process has been formalized and department managers receive monthly reports, together with training and accountability for results. The budget process now includes input from faculty and staff across the University, where their requests may be heard and considered in a collaborative manner, as contrasted with a top-down approach previously used.

In early 2015, the University forecast a tuition revenue shortfall for the fiscal year and higher costs for long-term debt. Although this negative variance was unfortunate, the University was able to collaboratively identify offsetting savings in other areas in a timely manner. This negative variance highlighted the importance of the following budget planning factors:

*Multi-year financial plans.* The University's strategic planning to date was more near-term-focused, by necessity. However, to continue its trajectory and further stabilize its financial situation, the development of multi-year financial plans will be important to the University's long term success. These plans should represent an honest and realistic attempt to identify problems and a strategy to develop a planning document that will guide future actions. These plans will provide more complete evidence that the University can maintain its current financial discipline and deliver positive and predictable financial results. Any multi-year financial plans should be inclusive of physical plant and capital spending plans, cash flow projections, and deferred maintenance of existing capital assets.

*Contingency budget.* As noted above, the University has a focus of "spending within our means." The fiscal 2015 budget is balanced, but with only a nominal operating surplus budgeted. Nonetheless, things can happen within all areas of the University's operations, and it is best practice to build adequate contingency funds into budget plans and forecasts. State funding is one item that could potentially and significantly impact the financial status in the future. However, during the site visit, the team gained an understanding that the probability of continued funding of the legislatively-designated portion of CDU's state allocation is very high, given that it is written into legislation rather than subject to an annual legislative budget process.

*Enrollment projections.* Enrollment projections are critical to the long-term financial sustainability of the institution, as it will support the ongoing debt service and generation of revenue to achieve a balanced budget. This is particularly important as the University develops its strategic plan under the evolving "One University" concept with new offerings at the undergraduate and graduate levels. The administration should closely monitor and

review enrollment and retention in all programs to proactively take actions necessary to meet enrollment targets.

Regarding strategic planning, in August 2013 the University developed a Strategic Plan establishing its institutional goals and trajectory from 2013 through 2016. This 2013 plan set the agenda for the course of the University, initially with a near-term and tactical approach. As it was the University's intention that this be a "living plan," the visiting team understands that the University is soon to embark on a more comprehensive, collaborative, and inclusive strategic planning restart in 2015 to determine longer-term strategic goals and objectives, reprioritize, and change timelines where necessary, under the evolving "One University" concept. During the visit, the team learned of and supports the following strategic goals and objectives that will be addressed:

- Development of a programmatic Academic Plan to help reach the 1,000 student goal. This plan will govern its decisions about appropriate degree offerings at the undergraduate and graduate levels, while relating to the needs of the community.
- Establishment of a Development and Advancement Plan, which historically has not been a focus for the University. This will launch a renewed commitment to connect and reconnect with alumni, individuals, foundations, and corporations to generate support and resources needed to achieve the University's goals.
- Articulation of multi-year financial plans that are meaningful and realistic in light of strategic goals, in order to assure its financial sustainability.

## **COMMENDATIONS**

1. The team commends the University for exemplary communication to the Commission of notable developments and for the meticulous preparation of a detailed report addressing the Commission's concerns.
2. The team commends the University for exemplifying exceptional commitment to its mission among its staff, veteran faculty members, newer faculty members, administrators, and students.
3. The team commends the recruitment of a diverse, expert, and highly engaged Board of Trustees committed to the mission and success of the institution.
4. The team commends the University on having made substantial strides toward ensuring long-term financial sustainability. This trajectory must be maintained.
5. The team commends the University on initiating improved communication and transparency in order to build trust among faculty, administration, and the Board. These efforts must deepen during the next two years.
6. The team commends the University for articulating and assessing student learning outcomes and for developing a program review process that generates improvement.
7. The team commends the University on recruiting an energized and diversified junior faculty which augers well for the future of the institution. The continuing professional development of these individuals should be nurtured.
8. The team commends the University on actualizing its mission through its engagement with a changing community.

9. The team thanks the institution for its attentiveness in preparation for the site visit and its cordiality during the visit.

## **RECOMMENDATIONS**

1. That the University engage in meaningful and realistic strategic planning under the evolving “One University” concept, as part of its dedication to its mission and commitment to sustainability.
2. That the University develop a programmatic Academic Plan flowing from the Strategic Plan that governs its decisions about appropriate degree offerings at the undergraduate and graduate levels.
3. That the University consider new delivery modes for offering its curricula, perhaps through weekend, blended, online, or distance program offerings.
4. That the University create a more structured approach to enrollment management and develop an Enrollment Growth Plan.
5. That the University expand the scope of support services required to assure student success and enhance services that promote the wellbeing of its students.
6. That the University continue to recruit and retain a permanent senior leadership team that will bring the “One University” concept to fruition.
7. That the University collaboratively develop a streamlined shared governance process with clearly defined relationships between and among college, Senate, and University committees, the administration, and the Board.
8. That the University continue to develop its contractual relationships with faculty with a view towards the possible implementation of a process for awarding multi-year contracts as appropriate.

9. That the University establish a process to review the relationship of such factors as appointment status, rank, series, and productivity as they relate to the determination of compensation under the Institutional Base Salary framework.
10. That the University clarify the role and responsibilities of the non-compensated faculty within the institution.
11. That the University seek to establish clinical relationships with Martin Luther King Hospital and other facilities in the region.
12. That the University embrace the preceding recommendations so that it can demonstrate significant progress by the time of its next comprehensive visit.