REPORT OF THE WSCUC TEAM
SPECIAL VISIT

To Phillips Graduate University

November 9 – 12, 2015

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Executive Summary

The following *Report* describes the findings and recommendations of the WASC Senior College and University Commission (WSCUC) Special Visit team in its review of Phillip Graduate University's (PGU) response to three issues identified in the March 11, 2013 WSCUC Action Letter (Commission). In that action letter the Commission directed PGU to focus on continued financial progress; planning and the use of data; and developing partnerships with third parties. The Commission further charged PGU to schedule a Special Visit no sooner than spring 2015.

In 2012, PGU submitted a request for change of ownership that would have transferred ownership to a for-profit entity that was identified through a multi-year search for a potential acquisition or operational partner. After further reflection, and in discussion with the potential acquiring entity, PGU withdrew its request for change of ownership and affirmed its intention to remain an independent non-profit public benefit corporation. Instead, PGU stated its intention to sign a service agreement with an outside entity to assist the university with admissions, marketing, information technology, finance, facilities, library services, human resources, and other administrative services in exchange for a portion of student tuition and fees. The Board of Trustees approved the execution of the agreement on October 1, 2015 and PGU withdrew its request for a change of ownership.

After thoroughly reviewing materials submitted by PGU and after conducting a site visit November 11-13, 2015, the team found that the university made progress in the areas of financial stability through its shared services agreement, continues to expand its use of data in decision making, and has fulfilled the charge of the Commission by seeking and securing external partnerships that will help secure the university's finances while maintaining its focus upon its mission. The team found a faculty, staff, president, and Board of Trustees that was extremely enthusiastic for the shared services agreement and the opportunity to expand the university's visibility and student achievements with additional available resources.

In addition to detailed discussion of these findings, the *Report* also includes areas in need of ongoing attention, further improvement, and/or expansion. Those findings are summarized in the following recommendations.

1. Continue to focus upon the achievement of PGU's stated enrollment goals and the growth of financial reserves to meet the university's mission (CFR 3.4).

2. Clarify and delineate the roles and responsibilities of PGU employees, Inspiras, LLC (Inspiras) employees, and PGU's Board of Trustees in the ongoing operation, planning, and budgeting of PGU to ensure appropriate independence and oversight of academic activities (CFR 1.5).

3. Continue to engage the strategic leadership of the Board of Trustees through ongoing evaluation of board members, the president, the relationship with Inspiras, and the fulfillment of the university's mission (CFR 3.6, 3.7, 3.9).

4. Complete and implement the School Operating Plan outlined in the Administrative and Consulting Agreement ("Agreement") dated October 1, 2015 in advance of the next comprehensive review to provide evidence of the university's strategic direction and the appropriate oversight of the university (CFR 1.5, 3.10).

5. Continue focus upon the integration of data in strategic planning, program review, academic planning, enrollment management, and the evaluation of financial systems (CFR 4.2, 4.6)

SECTION I – OVERVIEW AND CONTEXT

A. Description of Institution

Founded in 1971, Phillips Graduate University (PGU), *formerly Phillips Graduate Institute*, has almost 45 years of educational excellence and service. As a free-standing, non-profit, nonresidential, and non-sectarian graduate school dedicated to training and preparing students for human services-related professions, PGU provides graduate programs in Marriage and Family Therapy, Marriage and Family Art Therapy, School Counseling, School Psychology, and Organizational Management and Consulting. Today, PGU builds on a rich history and legacy left by Clinton E. Phillips, PhD, and T. David Jansen, DMin, who founded the California Family Study Center (CFSC or CalFam) as the first free-standing graduate program in the country dedicated solely to the field of human relationships. Between 1971 and 1977 CFSC offered a 48 unit Master of Arts degree in Marriage and Family Therapy. Beginning in 1997 through 2005, PGU added master's programs in School Counseling, Art Therapy, and School Psychology; and Doctor of Psychology programs in Clinical Psychology and Organizational consulting. Today approximately, 230 students attend PGU who are taught by approximately 80 core and adjunct faculty members.

In a March 6, 2012 letter to the university, the Commission continued an existing Warning "for a maximum of one year," stating that PGU was not yet in compliance with WSCUC Standard 3 of developing and applying resources and organizational structures to ensure sustainability. It stated that "if full compliance is not demonstrated by the time of the February 2013 Commission meeting, the Commission will have to take action to terminate PGU's accreditation." This extension of the sanction beyond the federally mandated limit of two years was based on the Commission's recognition that the PGU had made substantial progress but was not yet in compliance with the Standards.

After a November 12-14, 2012 team visit, the Commission removed PGU's Warning and issued a Notice of Concern. The Commission found that PGU met WSCUC Standards at the time, but must further improve and maintain the momentum to continue to be found in compliance with WSCUC Standards. The decision was a reflection of progress made but still noting that in the area of financial sustainability, PGU needed to demonstrate additional progress to be found in compliance with the Commission Standards on financial stability and sustainability (Standard 3). Specifically, the Commission noted the following areas of ongoing concern, with the relevant Criteria for Review under the current Standards of Accreditation referenced:

1. Continuing financial progress (CFR 3.4);

2. Planning and the use of data (CFR 4.1; 4.2; 4.3; 4.6);

3. Developing partnerships with third parties (CFR 3.6; 3.7; 3.9)

Concurrent to these visits, the PGU Board of Trustees began the process of identifying potential partners to help the university meet financial stability. The Board of Trustees evaluated multiple opportunities and retained a consultant to assist them with the process of partnership and/or acquisition. Following this process, the Board of Trustees determined in 2012 that acquisition by

Sterling Partners offered the best opportunity to grow PGU while maintaining its mission and purpose. As a result, PGU and Sterling Partners executed a Letter of Intent (LOI).

In March 2014, Sterling Partners decided to withdraw their planned acquisition of PGU and instead put forward a subsidiary, InfiLaw, to negotiate a change of control. The negotiated control would change PGU's legal status and ownership from a non-profit corporation to a limited liability company that would be a subsidiary of a for-profit corporation, InfiLaw. PGU's Board of Trustees agreed to the change noting, among other things, that InfiLaw had established expertise in graduate professional education that would directly benefit PGU. In addition, InfiLaw had significantly more financial and human resources; and greater flexibility with which to make the necessary investments in PGU's growth. A Substantive Change was submitted and approved by the Commission on April 30, 2015.

By July, 2015, the status of relationship between PGU and InfiLaw changed again. This time Infilaw decided to not incorporate PGU as a limited liability company, but rather to begin negotiation of a shared services agreement under which a new entity under their corporate umbrella, Inspiras LLC ("Inspiras"), would provide admissions, marketing, information technology, finance, facilities, library services, human resources, and administrative services in exchange for 50% of revenue from tuition and fees. As a result of this change, PGU withdrew its Substantive Change request for change of control. The Board of Trustees executed the service agreement with Inspiras on October 1, 2015.

B. Quality of the Special Visit Report and Supporting Evidence

PGU submitted a Special Visit report on October 5, 2015. The *Report* is well-written and addresses the three issues identified in the Commission action letter. The team requested that additional evidence and data be provided in advance of the visit and that other documents be available in the team room. On October 28, 2015, PGU provided additional documentation, including a copy of signed agreements for management services between the university and Inspiras, as well as a brief description of the process undertaken to create and execute the agreement.

PGU's Accreditation Liaison Officer (ALO) and other members of the university were responsive and helpful in providing documentation requested. The Fiscal Year (FY) 2015 Audited Financial Statement was the only requested document that was unavailable for the team. PGU stated that at the time of the visit, the agreement with Inspiras regarding reimbursements and investments that would impact the FY2015 audit and the Department of Education Financial Responsibility Ratio was not yet finalized.

C. Description of the Team Review Process

The visit was initially scheduled to address both the recommendations from the Commission and to respond to the university's request for a change of ownership to transfer control of PGU to InfiLaw. On July, 2015 the university notified WSCUC that it would withdraw the request for a change of ownership. A two and one half day visit was scheduled and a team was formed comprised of four evaluators and a staff liaison.

The team held a conference call on October 13, 2015 to review the issues to be addressed as noted in the Commission action letter and to plan the site visit. The team gave special attention to the identification of data and other evidence that would permit it to verify the results of actions taken by

PGU. Subsequently, the team met prior to the start of the visit on November 9, 2015. PGU provided well-equipped and comfortable team rooms at the campus. The visit concluded at noon on November 12, 2015.

The visit was organized around the three issues identified in the Commission's action letter and addressed in this report. After a private meeting between the team chair and PGU's president, the team met with the university's executive team, five members of the Board of Trustees, staff overseeing the student lifecycle, financial aid and registrar, alumni and development, institutional research, strategy team, faculty, and administrators responsible for managing and directing the shared services between PGU and Inspiras.

In addition, the team interviewed multiple employees of Inspiras, including the chief financial officer (CFO), the senior vice president of corporate development, and the vice president of marketing. In all, the team conducted over forty sessions with constituencies including faculty, staff, students, administrators, and external partners.

All parties with whom the team met were open, knowledgeable, and candid about issues the university has, and is, confronting. Moreover, the team was struck by the enthusiasm and passion which employees have about the mission of PGU and their students.

As required, PGU notified students, faculty, and staff of a confidential email account provided for the purpose of soliciting any comments that might be of assistance to the WSCUC team. The team reviewed fourteen emails. Seven emails did not align with the focus of the visit nor raised concerns about compliance with WSCUC Standards; two emails were positive student experiences; four emails were negative student experiences; and one email contained concerns that were addressed between the chair and PGU's president.

The team's analysis and evaluation of the progress made in addressing the three issues that were the focus of the visit are discussed and documented in the respective sections of this *Report*.

SECTION II – TEAM'S EVALUATION OF ISSUES UNDER THE STANDARDS

A. Continued financial progress

At the time of the March 2013 review, the Commission noted that PGU had restored financial equilibrium through budget reductions, program closures, and strict financial controls. The Commission charged PGU with ensuring future stability by adding to financial reserves, growing enrollments, and increasing the diversity of its programs. The Commission recognized that achieving these milestones would require more than continuing the previous trend of reducing expenses, but of making significant investments in the university.

In its Special Visit report and additional documents submitted during the time of the visit, PGU thoroughly documented its financial progress since 2009. The university showed negative changes in net assets in 2009, 2010, 2011, and 2014, with positive changes in net assets in 2012, 2013, and 2015. Audited financials were not available for the fiscal year ending June 30, 2015, however unaudited year-end projections demonstrated a change in net assets of $439,412, significantly aided by contributions of $954,454, much of which was contributed by Inspiras. In its most recent audited

financials, dated June 30, 2014, PGU reported a reduction in net assets of $563,319, ending the period with unrestricted net assets of $289,908 and total net assets of $309,176. The fluctuations in net assets were influenced both by enrollment trends, costs associated with seeking a strategic partner, and by discounting of student tuition in 2014. The strategy of discounting student tuition was quickly abandoned after recognition of the financial impact by the Board of Trustees and administration.

During the period from 2009 to 2015, PGU has carefully tracked its Department of Education Financial Responsibility Ratio and offers its progress in this area as evidence of its financial stability. Since 2009, PGU has participated in Title IV funding under provisional certification by maintaining a letter of credit. PGU has in each year maintained a composite score below 1.5. However, under the terms of a signed shared services agreement, Inspiras will provide discounts to administrative fees or additional contributions such that PGU will be guaranteed a minimum positive net revenue of $50,000 and a year-end Department of Education Financial
Responsibility Ratio of at least 1.5.

While the recently signed shared services agreement, donations from outside sources, and contributions from Inspiras have served to increase the net assets and financial reserves of PGU, the team remains concerned that the university may not yet have achieved the financial reserves to both meet current obligations and adapt to changing environmental conditions. In the March 11, 2013 Commission action letter the Commission noted that achieving the institutional mission and growth of enrollments would require further investment. In conversations with PGU administrators and Inspiras staff, it was noted that the shared services agreement provides the university with the opportunity to borrow additional capital to make strategic investments, but the team cautions the university to be mindful of the impact of increasing debt on the long-term sustainability of the enterprise.

With respect to enrollment trends, PGU's Special Visit report included historical data related to applicants, admitted students, and new enrollment from 2003 to 2015. The data showed the university's downward 10-year trend in admitted and new enrolled students despite recent threeyear increases in applications. PGU's executive team responded to the downward enrollment trend by presenting additional information on new fall enrollment, retention, and graduation.

Additional information on new enrollment showed an increase from seventy-seven in fall 2014 to ninety-eight in fall 2015, making it also the highest since 2009. This also translated to an increase in total enrollment from 219 to 228. With first-year retention rate above 80% for the past five years, PGU's executive team believes that the quality of incoming students has also increased. Graduation rates were also provided to the team, but the entering cohort classes were too small to make broad conclusions at this time. While it is too soon to see if enrollment will continue upwards, the team believes PGU's executive team will continue to integrate multiple sources of data when projecting future enrollment growth.

As stated above, PGU is engaged in the process of partnering with Inspiras to understand the importance and limitations of traditional marketing and referral based recruitment as it seeks to expand the tactics and resources allocated to meeting enrollment targets. The university provided multiple projections for growing enrollments in FY16, FY17, FY18, and FY19 to reach total registrations of 575 in 2020. This expansion would be accomplished both through the growth of current programs and the addition of new programs identified in cooperation between Inspiras and PGU, with final decision-making by the PGU Board of Trustees. The team notes the progress in

enrollment growth, but also reflects back the comments of multiple administrators and Inspiras employees that continuing to meet enrollment projections and exceed the breakeven figures supplied to the team is required to meet WSCUC standards for financial stability (CFR 3.9).

Based on the Commission's recommendation to increase the diversity of its programs, PGU has engaged in multiple strategic planning processes to investigate new program opportunities since sanctions were removed in 2011. In its March 5, 2015 strategic planning session, PGU explored these diversification of program offerings as a part of its overall direction with the then impending change of ownership. However, as a result of the ongoing changes in discussions around acquisition and owners, PGU has taken steps to improve the strength and marketability of its existing programs by seeking additional outside validation from the Commission on Accreditation for Marriage and Family Therapy Education (COAMFTE) and expanded awareness of its arts therapy program.

In summary, the team recognizes the significant effort placed in the process of identifying strategic partners, the successful enrollment cycle in fall 2014, the improvement in financial ratios, and the modest achievements in net assets. The team also recognizes that ongoing attention is required to diversify and expand program offerings, maintain high academic standards and retention levels, and accurately project and subsequently achieve enrollment targets. The newly formed agreement with Inspiras was cited at numerous times as supplying the resources that have long been needed to achieve the mission of the university. However, the team encourages the Board of Trustees to be cognizant of its fiduciary duties to PGU and to maintain clear delineation of roles and responsibilities so as to ensure financial stability, continued quality of student services, and appropriate control over the academic affairs of the university.

B. Planning and the use of data

In the 2013 Commission action letter, PGU was asked to critically analyze the data, to reflect upon what it learns, and to take appropriate action. In addition to improving the quality of the data, the university presented information without detailed or searching explanations and analysis. The Commission charged the university with improving its capacity to use data by making strategic planning actionable and aligning planning with budget resources, milestones, and follow-up assessments.

<u>Data usage and quality</u>

For over a year, PGU has been operating without a Director of Institutional Research. This has led to important data functions being disseminated within PGU. Many data related activities and research have been placed on hold until the Institutional Research function is staffed. It should be noted that PGU has been actively engaged in filling the Director of Institutional Research position and has offered the position to a qualified candidate. It is important for an evidencebased culture that the data from multiple systems; financial, enrollment, assessment, and institutional research, are fully integrated to inform decision-making. Going forward, senior management is encouraged to support the new Director of Institutional Research in setting reporting priorities.

During the period under review, the most significant improvements in data analysis and usage have been in the area of admissions. An integrated marketing plan, enrollment dashboards, an admissions funnel, yield tables, calculating the cost per lead, and tracking expenditures have significantly improved the enrollment functions. Since the beginning of 2015, PGU has increased web-based

marketing capacity to track the quality of their online leads and the tracking of leads through the admissions cycle. As part of the admissions process, a weekly report containing the data on the admissions funnel, source of inquiries, and status of prospective students is shared with the executive team at PGU and the marketing team at Inspiras. The data is also disaggregated by program and shared with program chairs.

The result of these efforts translated to website traffic increasing by three-folds from 6,067 in January 2015 to 20,043 in July 2015. Ninety-eight new enrollments for fall 2015 is the highest reported incoming cohort since 2009 and PGU's Faculty Council added that the quality of the incoming students has improved. Based on the steady retention reported over the past seven years, staff and faculty believe retention will remain strong. Based upon conversations with staff, the next step to better integrate data is to create a robust strategic enrollment plan that aligns with curricular and co-curricular program development. The work that began in the strategic planning session in March 2015, and has been placed on hold, should continue as soon as possible.

Another area that can be enhanced by the use of data and reflective analysis is academic program review. Comprehensive program review integrating the use and analysis of revenue and expenses, marketing research, enrollment, retention, mission alignment, student learning assessment, and employability data for each academic program is important to driving sustainability and growth. When discussing the program review process faculty referred to external programmatic accreditations as evidence of the program review process. The largest of PGU's programs, Marriage and Family Therapy, is working toward initial accreditation with COAMFTE. The faculty also pointed out that the K-12 teacher education programs are accredited by the California Commission on Teacher Credentialing (CCTC). While professional accreditation is seen as adding value to the academic program, it does not provide the internal analysis needed for decision-making that results from program review. A robust internal quality assurance program review would address questions of mission alignment, institutional strategic priorities, financial resourcing, faculty planning, program innovation, etc. (CFR 2.7, 4.1, 4.6) and can be aligned with the accreditation reviews to avoid burdensome redundancy.

Strategic planning

The current phase of strategic planning began in 2010 and proceeded at a steady pace between PGU and InfiLaw. However, strategic planning slowed during the current year as changes in the nature of the strategic relationship between PGU and InfiLaw shifted from a change of ownership to a shared services agreement with the newly formed Inspiras. Negotiating the changes has shifted the attention of the Board of Trustees and PGU leadership to structuring the contract relationship. It is important that strategic planning processes of the university be revitalized under the new organizational structure (CFR 4.1, 4.6).

According to PGU’s Strategic Planning Committee, the future focus of planning will combine work previously done and build upon the new shared services arrangement. This includes the potential of being within a management structure with other higher education institutions where efficiencies may occur through economies of scale and standardization. In the near term, significant progress should be made by PGU’s leadership team in casting a vision around refining the mission and the strategic priorities of the university. Strategic planning for the next phase of PGU’s growth will require the use and integration of strategic enrollment planning, programmatic and financial data to identify academic opportunities, and casting a vision that strengthens the mission of the university (CFR 4.1).

In conclusion, the president and Board of Trustees are encouraged to commit to an evidence based strategic planning process that is based on the new shared management framework (CFR 4.3). Through the engagement of key stakeholders, leadership should forge a clear understanding and vision of the opportunities and challenges facing the university and its strategic plan (CFR 4.5, 4.6). As the university moves forward under the new organizational structure, timely execution of a well-developed strategic agenda will be imperative for the future success of PGU and Inspiras.

C. Developing partnerships with third parties

In its March 11, 2013 letter, the Commission noted that the university was actively exploring engagement with third parties and that additional resources would allow PGU to undertake a greater range of activities to serve students and the community. The Commission charged PGU with proceeding while simultaneously implementing the priorities of the strategic plan and maintaining its mission and distinct characteristics. The Commission directed PGU to keep the Commission staff informed of potential changes and to follow the Substantive Change process to properly notify the Commission and to seek Commission approval for required changes to maintain compliance with the Standards.

PGU has persistently pursued third party affiliations that maintained their strategic plan, mission, and distinct academic characteristics. They vetted potential partners from 2010 to 2013, maintaining a focus on obtaining additional resources from a partner that would allow them to address their central objective of increasing enrollment in their areas of core academic strength. PGU ultimately settled on Sterling Partners as the entity that had the greatest synergy in terms of educational mission, values and strategy.

There have been several changes in the form of their potential partnership since 2013. These have included shifts from partner entities affiliated with Sterling Partners, such as: Sterling Partners, InfiLaw, and Inspiras. The form of most of these agreements would have resulted in a change of ownership and transition to PGU being operated as a for-profit institution. Prior to the conclusion of this WSCUC approved change of ownership, a new arrangement was arrived at in August 2015 that maintained PGU's nonprofit status and created a shared services partnership ("Administrative and Consulting Agreement" dated October 1, 2015) with the newly created Sterling Partners company, Inspiras.

The shared services agreement was provided to the team and was the focus of much of the site visit's inquiry. While some aspects are still evolving, the essence of the agreement is to have most PGU's administrative staff become Inspiras employees as of January 1, 2016, and 50% of annual tuition revenue be paid to Inspiras to cover those costs as well as support investments in PGU marketing, recruitment, and management support. PGU's president, immediate administrative support staff, selected administrative staff, and faculty would remain as PGU employees. PGU gave the team a list of employee positions and names that would transfer to Inspiras.

In addition to Inspiras' financial investment in PGU, the promise of the shared services agreement rests on increased effectiveness and efficiency of centralized administrative functions including finance, human resources, information technology, marketing, admissions, and a variety of administrative best practices and consulting supports. Compliance and legal support will remain with PGU.

This shared services structure is in process of being applied by Inspiras to the for-profit law schools that InfiLaw supports, such that PGU will be part of a consortium of schools that collaborate and are administratively supported by Inspiras. These ongoing changes and evolution of relationship are part of the promise and also the complexity of PGU's efforts to obtain third party collaboration in support of their enrollment and financial health.

To assure continued integrity of the CFRs and to prepare for the WSCUC comprehensive review in 2016 PGU should further clarify and delineate the roles and responsibilities of PGU employees, Inspiras employees, and the PGU Board of Trustees in ongoing operation, planning, and budgeting to ensure appropriate independence and oversight of academic activities (CFR 3.4, 4.1, and 4.2). This task should be part of completion of a School Operating Plan as outlined in the shared services agreement.

The team further assessed the third party shared services agreement between InfiLaw and PGU in relation to the following matters noted in the 2013 WSCUC Notice of Concern.

Financial Viability

Inspiras' investments in PGU (including those under previous partnership arrangements with Sterling and InfiLaw) include a $750,000 contribution for general support, $300,000 for marketing and marketing research, $150,000 to compensate for an enrollment shortfall, and a high six-figure amount spent on travel and staff effort in building the partnership with PGU over the past three years. Inspiras views the relationship, as expressed through the ten-year term of the shared services agreement, as a long-term partnership in which they have been willing to make initial investments in service of eventual enrollment and revenue growth for PGU.

The shared services agreement between PGU and Inspiras contains safeguards to maintain financial viability. These include a guarantee that the institution's net annual income will be at least $50,000; the adoption of annual budgets that attain the Department of Education Financial Responsibility Ratio of 1.5; and access to an Inspiras line of credit.

The relationship between PGU and Inspiras was discussed extensively during the visit. During an interview with the CFOs from Inspiras and PGU, they indicated that the PGU CFO will become an Inspiras employee with a dotted line relationship to the PGU president. However, the PGU organization chart on page 34 of the institutional report shows the PGU CFO reporting directly to the PGU president. This person will be dually responsible for managing the budget and finance functions for PGU and for allocating costs between PGU and Inspiras. If this reporting relationship is correct and/or maintained, this and other PGU/Inspiras arrangements need clarification and close monitoring and reporting by the PGU president to the Board of Trustees in order to ensure effective and accurate financial management under the shared services agreement (CFR 3.8).

Enrollment

The team heard several statements attributing enrollment growth in the current academic year to Inspiras investments in PGU's website, advertising, and test market efforts. At the same time, there was agreement that PGU would not meet its enrollment target for 2015-16 of 300 students (where 280 is an approximate break-even enrollment). The five-year projection of 575 students by June of

2020 will require focused planning on a combination of new marketing, degree programs, blended program delivery, and possibly geographic locations including co-location with other Inspiras supported schools.

Fundraising

PGU's fundraising has been modest with the exception of a $100,000 donation in FY2014. The president is the primary staff member focused upon fundraising, however as noted above, there is a committee of faculty and staff dedicated to alumni and community relationships that will facilitate alumni fundraising.

Board Leadership

The PGU Board of Trustees is in the process of reconstitution and addition of new trustees. Due to the transition changes over the past year with InfiLaw and then with Inspiras, the Board of Trustees has not had extended time to reflect upon its own effectiveness or specific roles in the planning and life of PGU going forward. They have met primarily by teleconference to review and approve third party arrangements. The Board of Trustees chair expressed the view that it was time for a board retreat in 2016 to assess the new structure and strategic efforts to address the enrollment challenges.

In addition, as a means of improving the functioning of the shared services agreement, it appears that the board needs to strengthen the role and functioning of its committees including regular reports from committees to the full board at designated times for face-to-face meetings (with teleconference for those at a distance).

SECTION III – FINDINGS, COMMENDATIONS, AND RECOMMENDATIONS FROM THE TEAM REVIEW

As noted in the introductory comments and as discussed in detail throughout the *Report*, PGU has made changes—within a very short period of time—in response to the Commission's action letter of March 11, 2013. The university has become more reflective, evidence-based, and focused upon the key strategic priorities of enrollment growth, financial stability, and securing outside partners or sponsorships to ensure the fulfillment of the university's mission. As a result the team offers the following commendations.

Commendations

1. PGU has shown determination and persistence in its efforts to identify and collaborate with an appropriate third party. PGU has maintained a focus on obtaining additional resources from a partner that would allow them to address their central objective of increasing enrollment in their areas of core academic strength.

2. The team commends the attention to thoughtful and transparent communication at every level of PGU during the multi-year transition. The frequent communication by the president to keep employees and other stakeholders informed of the progress has allowed PGU to maintain focus on their distinctive mission and academic programs.

3. While it is still early in the process, the shared services model appears to provide PGU financial stability and has benefits for the university's faculty, staff, and students. It was apparent that all parties view themselves as part of a coherent system and believe that remaining as a non-profit school will maintain the mission and core values of PGU.

4. The PGU executive leadership is to be commended for working through the complexity of the transition, for their collegiality, and for thoughtful preparation in advance of the Special Visit.

5. The entire administration, staff, and faculty are to be commended for their ability to move toward an evidence and data-driven decision-making culture from inquiry to graduation.

It is in this context that the team offers the following recommendations.

Recommendations

1. Continue to focus upon the achievement of PGU's stated enrollment goals and the growth of financial reserves to meet the university's mission (CFR 3.4).

2. Clarify and delineate the roles and responsibilities of PGU employees, Inspiras employees, and the PGU Board of Trustees in the ongoing operation, planning, and budgeting of PGU to ensure appropriate independence and oversight of academic activities (CFR 1.5).

3. Continue to engage the strategic leadership of the Board of Trustees through ongoing evaluation of its members, the president, the relationship with Inspiras, and the fulfillment of the PGU's mission (CFR 3.6, 3.7, 3.9).

4. Complete and implement the School Operating Plan outlined in the Administrative and Consulting Agreement ("Agreement") dated October 1, 2015 in advance of the next comprehensive review to provide evidence of the university's strategic direction and the appropriate oversight of the university (CFR 1.5, 3.10).

5. Continue focus upon the integration of data in strategic planning, program review, academic planning, enrollment management, and the evaluation of financial systems (CFR 4.2).