

Structural Change Site Visit Report

University of St. Augustine for Health Sciences

Change in Ownership: Structural Change

9/28/2018

Team Roster

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The team conducted its review and evaluated the institution under the 2013 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). Formal action 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.

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SECTION I. Overview and Context

A. Description of the Institution and the Proposed Change

Institutional background

The mission of the University of St. Augustine for Health Sciences “...is the development of professional health care practitioners through innovative, individualized, and quality classroom, clinical, and distance education.” As per the proposal, USAHS has focused for over 40 years on health care, beginning with physical therapy training in 1966. In 1979, the Institute of Graduate Health Sciences (as USAHS was known at that time) was authorized to offer a clinically-based post-professional Master of Science in Physical Therapy. In 1991, the Institute relocated from Georgia to St. Augustine, Florida and shortly thereafter started a post-professional Doctor of Physical Therapy (“DPT”) program. The first professional degree in physical therapy – the Master of Physical Therapy (MPT) was offered by the school in 1994. The Institute of Occupational Therapy was founded in 1996 and began enrolling students in 1997. This organization officially became the University of St. Augustine for Health Sciences in March 1997. In 1999, the university received approvals from the State Board of Independent Colleges and Universities to offer masters and doctoral programs in the health sciences. In Nov 2013, the university became part of the Laureate International Universities network. It was in June 2014 that the USAHS earned institutional accreditation from the WSCUC Senior College and University Commission and in 2016 voluntarily ended its relationship with DEAC.

Additional details regarding the history and the evolution of the institution is available on its website <https://www.usa.edu/about/history-of-university-of-st-augustine-for-health-sciences/>.

The University also earned a series of institutional and programmatic accreditations.

- 1993: Institutional accreditation by the Distance Education Accrediting Commission (“DEAC”)
- 1996: Initial accreditation for the DPT by the Commission on Accreditation in Physical Therapy Education (“CAPTE”)
 - Reaccreditations in 2001 and 2011
- 1996: Founding of the Institute of Occupational Therapy
 - 1999: Accreditation Council for Occupational Therapy Education (“ACOTE”) accreditation of the Master of Occupational Therapy (“MOT”)
 - 2009: ACOTE reaccreditation of the MOT

The University has campuses in San Marcos, CA; St. Augustine, FL; Austin, TX; and Miami, FL and has received WSCUC approval to open a fifth campus in Dallas, TX. USAHS offers flexible approaches to health professional educational delivery utilizing web-based, classroom, and laboratory learning activities to increase accessibility to qualified students.

The university is comprised of two colleges with the following programs:

1. College of Rehabilitative Sciences where it offers the following programs
 - Master of Science in Speech-Language Pathology (MS-SLP)
 - Doctor of Occupational Therapy (OTD)
 - Master of Occupational Therapy (MOT)
 - Post-Professional Doctor of Occupational Therapy (PPOTD)
 - Doctor of Physical Therapy (DPT)
 - Transitional Doctor of Physical Therapy (tDPT)
 - Physical Therapy Online Courses for Intl Students
 - Orthopaedic Manual Physical Therapy Fellowship
 - Clinical Orthopaedic Residency

2. College of Health Sciences
 - School of Nursing
 - Master of Science in Nursing (MSN)
 - Doctor of Nursing Practice (DNP)
 - Post-Graduate Nursing Certificates
 - Doctor of Education (EdD)
 - Master of Health Administration (MHA)
 - Master of Health Science (MHS)

As of September 2018, the total student headcount is as follows:

Enrollment per Campus and Program 2018

Campus / Program	Spring	Summer	Fall	Year
St. Augustine, FL				
DPT (7 Term and 8 Term)	393	378	376	376
MOT	182	188	188	188
OTD	27	38	54	54
DPT Flex	208	213	214	214
MOT Flex	95	90	90	90
Total	905	907	921	921
San Marcos, CA				
DPT (7 Term and 8 Term)	449	457	458	458
MOT	184	183	171	171
OTD	38	49	78	78
DPT Flex	159	159	182	182
Total	830	848	889	889
Austin, TX				
DPT (7 Term and 8 Term)	435	445	450	450

MOT	156	177	173	173
OTD	39	44	63	63
DPT Flex	118	143	160	160
MOT Flex	6	22	36	36
MS Speech	0	0	19	19
Total	754	831	901	901
Miami, FL				
DPT (8 Term)	221	261	309	309
MOT	34	52	74	74
OTD	0	0	10	10
MOT Flex	18	18	30	30
Total	273	331	423	423
First Professional Total	2,762	2,917	3,134	3,134
Primarily Online				
DHSC	8	9	8	8
EDD (Old Format)	27	25	23	23
TDPT	77	81	80	80
TOTD	97	116	143	143
MHSCAT	2	1	0	0
EDD New (Specializations)	58	74	88	88
BSN to MSN	26	33	33	33
BSN to MSN (FNP)	16	20	30	30
BSN to DNP	11	23	38	38
BSN to DNP (FNP)	0	0	5	5
MSN to DNP	13	31	65	65
MHA	22	33	41	41
MHS	32	45	53	53
Primarily Online Total	389	491	609	609
USA Total	3,151	3,408	3,743	3,743

Recent Accreditation History

USAHS received institutional accreditation from WSCUC in 2014 and subsequently sought approvals to offer new master's and doctoral degrees. The institution also submitted proposals to open new campus locations as depicted in the chart below.

Master of Health Science in Athletic Training (“MHScAT”)	June 2014
New Stand-Alone Campus Miami, FL	February 2015
Master of Healthcare Administration (“MHA”)	September 2015
The Doctor of Healthcare Administration (“DHA”)	February 2016

Master of Science in Nursing (“MSN”)	May 2016
Entry-level Doctor of Occupational Therapy (“eOTD”)	May 2016
Doctor of Nursing Practice (“DNP”)	October 2016
Master of Science in Speech Language Pathology (“MS-SLP”)	February 2017
New Additional Location Dallas, TX	October 2017
Master of Science in Physician Assistant Studies (“MSPAS”)	April 2018

Previous Accreditation History

The section below contains a timeline of the accreditation history at USAHS.

6/11 - Application to apply for accreditation received, 6/22/11.

8/12 - Eligibility Review Committee Action: Eligibility granted 8/31/12 for 4 years until August 31, 2016. As an institution already accredited by an ED -recognized accreditor, it is approved to pursue accreditation under the accelerated process known as Pathway B. A site visit for initial accreditation is to take place at a time to be determined.

2/13 - Application and letter of intent for initial accreditation received and accepted. A Pathway B visit will be scheduled in fall 2013.

5/13 - Staff approved a request from the institution to move the initial accreditation visit to spring 2014.

2/14 - Pathway B visit for Initial Accreditation, February 10 -12, 2014; Team Chair – Billy Hughes. Team members also visited offsite locations in St. Augustine, Florida and Austin, Texas.

5/14 - Eligibility Review Committee Action, 5/14: Addendum for Master of Health Science in Athletic Training approved.

6/14 - Commission Action, 6/20/14: 1) Receive the team report. 2) Grant initial accreditation for 5 years. 3) Schedule the next comprehensive review with an Offsite Review in fall 2018 and an Accreditation Visit in spring 2019. 4) Request an interim report in spring 2016 focused on the transition to Laureate ownership. 5) Request a Mid-Cycle Review in spring 2017.

2/15 - Staff Substantive Change Action, 2/24/15: Approve expedited proposal: Miami, FL Standalone Location.

8/15 - Substantive Change Committee Action, 8/17/15: Grant interim approval of Master of Health Administration (online). Final commission approval granted 9/3/15.

1/16 - Substantive Change Committee Action, 1/26/16: Grant interim approval of Doctor of Healthcare Administration (online). Final commission approval granted 2/3/16.

3/16 - Substantive Change Committee Action, 3/29/16: Grant interim approval of MS Nursing (online). Final commission approval granted 5/16/16.

4/16 - Substantive Change Committee Action, 4/21/16: Grant interim approval of Doctorate of Occupational Therapy (online). Final commission approval granted 5/16/16.

5/16 - Interim Report Committee Action, 5/19/16, in response to report requested June 2014: 1) Receive report, 2) Request that the WSCUC staff liaison be informed when an independent Board chair and two additional independent Board members are appointed.

8/16 - Substantive Change Committee Action, 8/16/16: Not accept the Doctor of Nursing Practice (Online)

10/16 - Substantive Change Committee Action, 10/4/16: Grant interim approval of the Doctor of Nursing Practice (resubmission) (Online). Final commission approval granted 10/12/16.

1/17 - Substantive Change Committee Action, 1/20/17: Grant interim approval of Master of Speech Language Pathology (online).

Proposed change

The reason for this substantive change request (and the related site visit) is due to the intent by University of St. Augustine for Health Sciences (USAHS) to change ownership of the institution from its current parent company, Laureate Education, Inc., to Altas Partners LP. According to the proposal for change, Laureate, and its subsidiary, Exeter Street Holdings LLC, signed an agreement for change of ownership on April 24, 2018 with University of St. Augustine Acquisition Corporation, a Delaware corporate that is wholly owned and controlled by Altas and its affiliated entities. Under the terms of this agreement, the University of St. Augustine Acquisition Corporation will acquire USAHS for \$400 million which includes the acquisition of 100% of the ownership interests. It is anticipated that this transaction will be effective in December 2018, following WSCUC's approval of the change of ownership in November 2018. The institution further believes that USAHS would benefit from alignment with a parent corporation that is more directly focused on programs in the health sciences field.

USAHS maintains that this is a straightforward change of ownership and, upon approval by WSCUC, there will be continued independence of the Board of Directors, continuity in University leadership, no changes to mission, strategy, or budgets, and will have minimal impact on the operations of the university.

B. Description of the Team's Review Process

A substantive change conference call was scheduled on Wednesday July 25, 2018, between 1:30 and 3:30pm PDT. Ruki Jayaraman, and JoAnn Carter-Wells were the first and second readers respectively. The institutional representatives on the call were:

- Vivian Sanchez, CEO
- Karen Gersten, Sr. VP, Academic Initiatives and ALO
- Jeffrey Lagasse, Executive Director of Finance
- Deborah Zimic, VP, Assistant General Counsel
- Damon Conway, Partner, Altas Partners
- Paul Nicoletti, COO, Partner, Altas Partners
- Sam Guo, Principal, Altas Partners

Mr. John Hausman and Dr. Lori Williams from WSCUC were in attendance.

An action letter from the substantive change committee was sent to the institution on July 26, 2018 with requests for additional documentation (by August 17th) which were as follows:

1. Sample job description(s) for new faculty.
2. A brief narrative describing the goals of the new faculty development offices.
3. Detailed organizational chart for USA indicating future positions in the institution.
4. Description of the future structure of USA's Information Technology support.
5. Description of the two findings from the 2016 audit financial statements and how these were related to USA.
6. Description of the costs USA will incur to bring current shared services in-house.
7. Description of plans for funding and implementing new projects under the strategic plan.
8. A narrative describing the reason(s) for USA's placement on the Heightened Cash Monitoring list and impact this change may have on this status.
9. USA's pre-acquisition review application to the U.S. Department of Education.
10. A copy of the Bylaws for University of St. Augustine Acquisition Corp.
11. A copy of the Limited Partnership Agreement for Altas Partners.

The visiting team requested to meet with the following individuals during the site visit:

- Senior Executives from USAHS managing the transition (CEO, CAO, CFO, Student Services)
- Senior officials from Altas Partners managing the transition, including those involved who may be involved with the financial matters of USA post-transaction.
- Staff involved with information technology and online course development
- Representatives from the USAHS Board of Directors
- Faculty leadership
- Students and alumni
- Sample of staff members from various functional areas of the institution.

The recommendation by the panel was to proceed to a site visit which was scheduled for September 28, 2018. The panel members met over the phone and created a list of topics that would be the key areas of focus during the visit. An agenda was constructed in collaboration between the visit team and the ALO of USAHS.

Site Visit

The primary purpose of the site visit under structural change was to address USAHS's institutional capacity to successfully undergo a change of ownership, and continue to serve its mission and students and offer its programs with no degradation of services. The panel had planned to inquire about a number of issues related to this proposal as an extension of the conference call:

1. **Enrollment growth and management:** The strategic plan calls for adding more programs to the USAHS Portfolio. The panel wanted to learn more about proposed marketing and recruitment strategies to sustain prior levels of growth; expectations of the new ownership in terms of planning and forecasts and whether or not aggressive growth is expected. Also, discuss 3-year enrollment plan.
2. **Mission:** The panel wondered whether the current mission and the core values of the institution would be impacted by this proposed structural change, and if so, in what ways. How will a supportive student-centered learning environment be maintained?
3. **Governance:** The panel wished to learn more about governance structure (Board of Directors) post acquisition. Specifically, what will be the role and responsibilities of the Board of Directors? What changes are expected? What will be the role and responsibilities of the Altas Partners? Who will be the new members? How will the current board maintain independence and will the board continue to have control over the strategic plan, operational initiatives, and the finances of the School? To what extent, and in what areas, will the parent corporation be involved in decision making?
4. **Long term capacity to provide services:** Some of the questions the panel wished to explore include: Are key personnel being trained to manage the transition in services? The proposal references a 12-month transition period, but will there be a period of overlap when Laureate continues to provide products and services? Does the institution have the bandwidth and capacity to provide infrastructure support and services formerly provided by the parent company?
5. **Finances.** The panel will spend time reviewing institutional finances, including working capital adequacy and audit summaries. What enrollment projections and tuition assumptions are used to generate forecasted income levels?
6. **Change of Ownership and Transition of Services:** The panel wanted to better understand the transition plan and whether or not there would be other major changes as part of the transition; anticipation of any disruption in services during the transition that would negatively impact faculty, students, and staff; availability of positive cash flow during the transition; other foreseeable issues related to funding projects during the transition etc. Who will take the lead and make decisions about the projects, services, budget, resources etc.?

The list of interviewees was identified in cooperation with the USAHS Accreditation Liaison Officer. All the meetings took place at the USAHS campus in San Marcos, CA.

A final list of attendees can be found in Appendix B.

SECTION II. Evaluation of the Proposed Change

ISSUE A: Enrollment Growth and Management: (CFRs 2.2, 3.4)

The strategic plan calls for adding more programs to the USAHS Portfolio. The panel wants to learn more about proposed marketing and recruitment strategies to sustain prior levels of growth, expectations of the new ownership in terms of planning and forecasts and whether or not aggressive growth is expected. Also, discuss 3-year enrollment plan.

Evidence and Analysis

After the conference call, the review team asked for additional clarification of plans for increasing enrollments and growth in campuses and programs. We were able to ascertain from additional document analyses and interviews that the University has a long history of financial stability and proven expense management and has made deliberate choices of programmatic offerings and campus locations to reflect both niche markets in health care and the needs of unserved communities.

Within the Board approved plan, USAHS is focused on expanding the University's rehabilitation leadership and diversifying its programmatic offerings to meet evolving health care trends as noted above and strengthening financial stability with new streams of revenue. Altas Partners is aligned with the long range plan and is committed to continuing support and funding for these initiatives.

The five key initiatives in the long range plan which has been approved by WSCUC are opening new campuses in Miami and Dallas and launching new programs with an MS in Nursing (FNP) and Doctor of Nursing Practice (FNP), an MS in Speech Language Pathology, and an MS in Physician Assistant Studies. The new campuses and programs are expected to break even by the third year of operation. If, for any reason, there is a delay or the programs do not meet expectations, core operating funds will continue to support their development. Enhanced marketing and recruitment plans have been undertaken over the past few years with dedicated and professional internal personnel.

Finally, a carefully crafted long range plan detailing required investments has been approved by the USAHS's Board of Directors and is reevaluated yearly and has full support of the Altas Partners which does not intend to make changes to the plan of sustained but measured growth over the next three years following the change in ownership.

Conclusion

The long-range strategic plan and vision for USAHS and the financial backing for the same appears to poise the institution for growth and innovation. Careful and deliberate analyses have been undertaken to identify new niche markets in emerging health care trends and the development of innovative programs at key locations in the country where underserved populations reside.

ISSUE B: Mission: (CFRs 1.1, 1.5, 1.7, 1.8, 4.6, 4.7)

The panel wondered whether the current mission and the core values of the institution will be impacted by this proposed structural change, and if so, in what ways. How will a supportive student-centered learning environment be maintained?

Evidence and Analysis

The mission of the University of St. Augustine for Health Sciences “...is the development of professional health care practitioners through innovative, individualized, and quality classroom, clinical, and distance education.”

One of the areas of focus during the site visit was regarding how the change in ownership would impact the mission of the institution or the constituents that it serves.

Several key stakeholders - members of the Board of Directors (BoT), senior leadership at the university, members of the Altas team, faculty, staff, and students - were asked to comment on whether or not the current mission statement would be maintained.

Stakeholders felt extremely confident that neither the mission nor the core values would change with new ownership. It was pointed out, that nowhere in all of the discussions related to the changes in ownership was there any doubt about holding steadfast to the commitment of the institution to its core values and mission.

Members of the BoT and the senior leadership team maintained that during the research and discovery process of USAHS, the Altas team principally focused on the programs, the quality of student outcomes, licensure pass rates, graduation rates, job placement rates, low cohort default rates etc. (all of which are implicitly tied into the mission of the institution). It appears that these were also central during the negotiations period. The Altas team reiterated those principles and said that their main interest in USAHS were overall student outcomes and the quality of the programs as informed by the mission.

Questions were also posed regarding the maintenance of a student-centered learning environment and funding for essential services in light of the growth (current and proposed) of their programs and campuses in support of the mission. It was important to ascertain that despite the changes students would continue to be served in an optimal learning environment and without degradation of essential services.

Faculty, staff, and students spoke very highly about the campus and its facilities. They took great pride in describing their classrooms, labs, technology, equipment, and essential services.

During the campus tour, there was clear evidence of the institution’s commitment to practitioner education and innovation as stated in the mission. The classrooms, and wet and dry labs, are equipped with sophisticated technology and seem to offer students a rich learning environment. The occupational therapy and physical therapy labs and observation rooms permit students to not

only practice their skills acquired in the classroom but also offers faculty and staff the ability to observe and comment on the process. There appears to be a rich repertoire of simulations and virtual labs that provide students with “real world” experience. Importantly, what was very evident was the passion and pride exhibited by the members of the staff who conducted the tour of the facilities. Similarly, students described the clinical practicum process in glowing terms and regarding the ability to practice and learn in clinical settings.

Key members of the leadership mentioned that funding was already allocated for the long range plan, which is very closely aligned with the mission of the institution. They strongly believed that Altas would help execute on the plan and the support necessary for essential projects and services. The new owners repeatedly said that all initiatives in the plan would be funded with an eye towards scale and they did not want to cut any services. The phrase “...we don’t want to be penny wise and pound foolish” was mentioned on several different occasions during the conversation. Some of the examples provided were the addition of a fourth building to the campus to support growth in enrollment, continuing to develop differentiated and unique programs (such as Speech Therapy), expansion of classroom areas and immersive labs, acquisition of new technology (such as virtual anatomy labs), and launch of additional innovations in curriculum (simulations) and delivery as part of their strategic plan. See [Appendix D](#) for additional details. The financial commitment to the plan is to the tune of millions of dollars. The management team seemed very certain that additional funding (if necessary) would be made available.

The Altas team also talked about their involvement with St. George University (SGU) initiatives and its focus on innovation, programs, quality of student experience, and outcomes. They cited examples such as funding of key projects at SGU to the tune of \$100M, building a 240-bed dormitory, construction of a 4 storied building and fitness center, expansion of classrooms and learning spaces etc. The new owners also reiterated that their interest and involvement in USAHS was for the long term, with similar levels of financial and operational commitment. They stated that their philosophy was not to drive decisions quarter by quarter nor motivated by quick gains.

USAHS also pointed out that the mission and value statements are reviewed periodically by the university community to see if changes are in order. The leaders want the mission statement to be current and accurately reflect the values and principles of the institution. It was asserted that they needed to be nimble to changes in the market place and to the strategic direction of the institution. However, it appears that any possibility of potential changes in the future would have the support of both the BoT and Altas.

Conclusion

Overall, there appears to be a high degree of confidence and optimism in the new ownership at the institution. Members of the BoT, the Management team, staff and faculty spoke highly of the Altas partners, and their comments about the change of ownership being a really good thing for the institution appeared to be sincere. The visiting team believed that changes in ownership would not have an adverse impact on the mission or the ability of the institution to continue to

provide a student-centered learning environment even with potential increases in programs or enrollments or the addition of new campuses.

ISSUE C: Governance: (CFRs 3.6, 3.7, 3.9)

The panel wishes to learn more about governance structure (Board of Directors) post acquisition. Specifically, what will be the role and responsibilities of the Board of Directors? What changes are expected? What will be the role and responsibilities of the Altas Partners? How will the current board and management team maintain independence and have control over the strategic plan, operational initiatives, and the finances of the School? To what extent, and in what areas, will the parent corporation be involved in decision-making?

Evidence and Analysis

There is an impending change in the composition of the Board of Directors (with the impending change in ownership) where three non-independent Laureate board members will be replaced by Altas representatives. The total composition of the board will be eight (8) independent members and three (3) members from the parent company. The visiting team thoroughly explored the area of governance and independent control of the institution by the USAHS Board of Directors (BoD) and leadership team. Several stakeholders were asked questions as to whether or not USAHS would still be able to operate as an independent entity under the new ownership.

Four members of the BoD were interviewed which included the Chair of the Board. It was very apparent during the conversations that this was a very strong board that had a vested interest in USAHS success and growth trajectory. They affirmed that they were very much involved in the discussions around the change in ownership since 2016 and were highly supportive and confident about the Altas leadership. They spoke very favorably about the due diligence that the new owners had done in not only trying to gain a comprehensive understanding of the institution and its programs, faculty, and services, but also to get to know the management team, their vision, principles, and thought processes - all essential components for a successful acquisition. They expressed confidence in Altas' experience with health education and healthcare, and with their expertise in leading bigger schools such as St. George University (SGU) through a successful change in ownership. The members of the BoD expressed a resounding vote of confidence about Altas' commitment to the mission, and long range plan and strategic direction of the university. They believed that Altas' interest aligned with that of the University and were confident that new owners would maintain the integrity of the institution. The Chair of the BoD stated that "Altas hits all the marks". He also mentioned that the new owners are committed to three things. 1. The Mission and Strategy; 2. Management team (that they have a high level of confidence in the team to execute); 3. Long Term plan and all components of the plan. Another member, Ana Lopez Blazquez, talked about quality of students graduating from SGU that she hires and the "exceptional reputation" of SGU. She said that she expected that the same level of commitment to quality at USAHS and saw that as an example of what might occur at USAHS.

During the conversations with the BoD, it was very apparent that the members had very high levels of confidence about the change in ownership and in having Altas at the helm. They viewed this change as very positive for USAHS.

The members also maintained that they never had issues with the independence of the board under Laureate and did not see any reason why this would not continue under Altas. The board perceived itself as strong and independent and said they will not be swayed or be a “rubber stamp”. One member provided examples of instances where they challenged Laureate and delayed a decision on a dividend payment until a solution to a particular challenge was found. In another instance the board challenged a Service Level Agreement (SLA) around concerns regarding timeliness of execution and the appropriateness of the SLA metrics.

The board members affirmed that the leadership team at USAHS were independently responsible for creating the long range strategic plan with their input. They were very complementary of the management team and the diligent process that they undertook to create the plan. In terms of the finances and allocations to specific projects, they said that it would be a collaborative effort between the BoT, Altas, and the management team. The board did not believe that there would be any cutbacks in funding and said that Altas has and would commit to all the resources necessary to execute on the plan.

The Board also indicated that they were involved in all aspects of the decision making, and engaged in monthly meetings to discuss key aspects of the change as well as the ongoing transition planning process. They believed that Altas made an excellent decision in bringing in Deloitte to assist with managing the transition, and as a result did not anticipate too many risks with the change. The chair said that he was surprised when he found out that Altas had the same set of questions for the management team as the board did regarding the long range plan and felt that it was an indication of the alignment of vision and philosophy between the two entities.

The leaders from Altas also stated unequivocally that they would not try to influence the board in any way and would do all they could to maintain the independence and free functioning of the board.

The management team too expressed confidence in the strength of the BoD and their independence in judgement and decision making. Given that the members of the board are very vocal individuals with years of healthcare expertise and experience between them, they did not think that Altas would disregard the opinions of the board or pressure them to act or make decisions in a manner that was alien to the board.

From an academic governance perspective, it appears that the University Curriculum and Policy Council (UCAP) has oversight and control over all academic matters and serves as the Faculty Senate. Faculty members who serve on the UCAP addressed the issues regarding change in ownership and maintained that they were informed of the change in 2016 and since then have

received several communiques regarding the change process. They have had the opportunity to attend either live or virtual sessions with the Chief Executive Officer and President/CAO to ask questions and receive information. One of the biggest concerns regarding the change that was articulated by faculty members (and staff alike) was around any potential changes to benefits and their retirement program. But it appears that the management team has pro-actively addressed these concerns and allayed the fears about “what will happen to me and my position”. Faculty expressed no other concerns or fears about the change in ownership, but instead worried about issues related to managing growth in programs and enrollments.

Conclusion

The institution appears to have a strong and dedicated leadership and backed by an outspoken and independent Board of Directors. In speaking with several stakeholders, it did not appear that governance was in any jeopardy with this change in ownership. The long range plan and budgets appear to be fully supported by Altas and the members of the Altas team were very vocal about maintaining the independence of the institution as well as the Board of Directors by providing examples from their other school, St. George’s University (medical college) in Grenada.

ISSUE D: Long Term Capacity to Provide Services: (CFRs 2.13, 3.4, 3.5)

Some of the questions the panel will explore include: Are key personnel being trained to manage the transition in services? The proposal references a 12-month transition period, but will there be a period of overlap when Laureate continues to provide products and services. Does the institution have the bandwidth and capacity to provide infrastructure support and services formerly provided by the parent company?

Evidence and Analysis

Multiple groups were interviewed as to the long term capacity for providing essential services to the current and new campuses in Texas for service expansion in a time of transition.

The shared services agreement clearly delineated the transition period and services which Laureate would continue to provide in necessary areas up to twelve months. It should be noted that the primary areas of change from Laureate are in infrastructure elements of HR such as payroll and benefits, and in Accounting with taxes, etc. and don’t impact students, curriculum or major support services.

The team had a tour of the three buildings on the San Marcos campus (Appendix D) including plans for a new building within a year which will house the administration and thus provide additional classrooms and labs for the current and expanding programmatic offerings in the existing buildings.

Mr. Venkat Swaminathan, consultant from Deloitte, and Dawn Werling, Project Manager, have clearly analyzed and worked in depth in multiple interactions with all the personnel in the various service offices to ascertain their needs prior to and during the planned transition (as can be seen in Appendix C- Transition Plan: Areas of Focus) . They conducted exercises in discovery, risk assessment, process modifications, and inter-dependency analyses to support the

change. There has been consistent and demonstrated leadership by Damon Conway from Altas Partners since 2016 to provide guidance and support to ensure a successful transition of services along with expanded infrastructure and financial support as necessary.

The recent \$10 million dollar technology enhancements in web conferencing, immersive technologies, simulation centers/projects and education, Centers for Innovative Clinical Practice (CICPs), research, wet and dry labs, etc. along with leadership of personnel who had formerly worked at Laureate help to ensure the consistency of technology needs and professional development across all the campuses. It is clear that there will continue to be a parity of optimal services and infrastructure support and innovation as discussed under **Mission** on pages 9 and 10.

In additional documentation requested by the team before the visit, it was noted that USAHS began an effort to strengthen technology through the university and increased their budget from \$2.3 million in 2016 to \$3 million in 2017 and is forecasted to reach \$3.7 million in 2018. The Laureate Transition Services Agreement has a phased approach to IT ensuring that most services remain in place for up to a year following closing. The IT leadership will hire three additional personnel to meet the increased service demands following the transition- infrastructure manager, ERP administrator and data administrator. In addition, USAHS will migrate all possible applications to Cloud providers to increase platform stability and reduce administration and maintenance requirements. Some services will be transferred to external vendors upon proper evaluation and selection criteria.

The interviews and campus tour with Matthew Moline, Executive Director, Information Technology, Dr. Maria Puzziferro, Executive Director, Innovation and Online Education, Dr. Kayla Collins, Director, Online Learning Innovation and Support and Dr. William Ganza, Manager, Faculty Development clearly indicate a high level of team work committed to the online component of the program offerings along with faculty development and services with the cutting edge technology in health care that also reflects professional accreditation requirements..

Roger McKinney, Laureate Education, Vice President and Chief Financial Officer US Institutions confirmed the commitment of Laureate to a smooth transition and indicated that the agreements in place along with the hard work and dedication of the USAHS management team and Altas Partners to date has been remarkable in his experience and in contrast with other buyouts/changeovers.

Interviews with students, staff and faculty clearly indicate that they had no concerns about the transition due to the high level of transparency and regular communication from Vivian Sanchez, CEO, along with assurances that she would remain in her leadership role. The Organizational Structure Approach for Change of Control as of August 17, 2018, clearly delineates this continuity amongst all the campuses.

The comparison with the ownership change at St. George's University as of 2014 is important to note as it reflects the commitment and history of Altas Partners in maintaining the reputation, quality, infrastructure and clinical/regional partnerships of a niche health care institution.

Conclusion

Overall, there appears to be a high degree of confidence and optimism by all stakeholders in the new ownership at the institution and in the deliberate and thorough preparation and training in place for the changeover along with formal transition agreements up to one year after the closing. It is clear that the institution has the bandwidth and capacity to provide infrastructure support and services formerly provided by Laureate.

ISSUE E: Finances: (CFRs 3.4, 3.5)

The panel will spend time reviewing institutional finances, including working capital adequacy and audit summaries. What enrollment projections and tuition assumptions are used to generate forecasted income levels?

Evidence and Analysis

After the proposal review conference call, the team asked for additional information as to the two findings from the 2016 audit financial statements and how these related to USAHS. Both the 2016 and 2017 audited financial statements contain two specific “material weakness “findings at the “consolidated level”. The first finding related to shared systems within the Laureate network with “suboptimal general controls”. Subsequently Laureate and USAHS have made significant progress in improving the operating effectiveness of those information technology systems relevant to the preparation of the financial statements that were the subjects of the finding. The consulting firm of Ernest and Young, LLP, was retained to monitor the controls and the result has been an investment of over \$10 million by Laureate towards achieving an effective control environment by the end of 2018.

As of the date of their response, the University was not aware of any control design deficiencies associated with general controls within the technology systems relevant to the preparation of the financial statements individually or in the aggregate, that would result in a material weakness in the University’s internal controls over financial reporting related to ITGCs.

The second “material weakness” relates to controls over critical reports and spreadsheets. The university has since implemented a robust monitoring program to oversee compliance with the relevant ITGCs and has performed the additional procedures to address the design deficiencies relating to the completeness and accuracy of key reports and spreadsheets.

USAHS organized a diverse team of subject matter experts and leadership from the University and Laureate to assess the costs and efforts required to assume responsibility for shared services functions that resulted in a two phase transition process. The goals of Phase 1 were to assess current processes, identify operating requirements for each functional area upon transition, create a detailed plan for the new operating model, and determine expected costs for USAHS to operate support services. In total, USAHS’s internal team plus Laureate’s support services cost the University \$11.5 million. However, USAHS is currently providing much of the services with internal resources. After careful analyses of future costs and with Deloitte Consulting providing comparable benchmarks tailored to USAHS’s unique characteristics, it is expected that the

annual costs to absorb Laureate- supported functions are expected to increase by approximately \$700,000 primarily due to the loss of economies of scale, particularly in IT systems and infrastructure. It is also expected that 20 employees would either transfer from Laureate to USAHS or be externally hired with half to be hired in 2018 and the other half in 2019.

Another issue that arose during the original proposal conference call was the placement of USAHS on the DoE list of Heightened Cash Management (HCM1) institutions. Upon further investigation, it is clear that the status does not indicate that the University is in poor financial condition or at financial risk. USAHS has operated on HCM1 status the last few years due to the financial composite score of Laureate Education as the parent company. As a result of the change of ownership and sale to a newly created entity that does not have historical financial statements (University of St. Augustine Acquisition Corp.), USAHS is likely to continue to operate under HCM1 status and be required to post a letter of credit for at least two years, and those requirements would likely remain in place until the University achieves a passing financial composite score. We believe the LOC could well go longer than 2 years and the composite score may not be positive in only 2 years – but USAHS has the financial wherewithal to handle those possibilities. It should be noted that Altas Partners and its investment funds are well capitalized and they have built a successful track record. They are capable of supporting the University’s commitment to meet all DOE requirements, including the HCM1 and letter of credit requirements.

Conclusion

The audit information and resulting remediation to be completed by December, 2018, along with a solid financial structure and a robust income/revenue stream and with only a \$700,000 annual expenditure by USAHS to absorb Laureate-supported functions reflect/secure the future sustainability of USAHS. The financial commitment shown by Laureate and Altas Partners to date to assist in the remediation, enhancement or expansion of essential services and appropriate personnel are further testimony to the determination to ensure a successful transition to a self-sustaining USAHS as of December 31, 2018. As presented under Enrollment Growth and Management, USAHS is managed in a fiscally sound manner, with solid revenue streams and availability of future funds for investments in new initiatives that ensure academic excellence and address health care needs in the community.

ISSUE F: Change of Ownership and Transition of Services: (CFRs 2.13, 3.5)

The panel wanted to speak to various stakeholders to better understand the transition plan and the information provided in the transition agreement. Questions revolved around whether or not there would be other major changes as part of the transition – for example academic technologies and platforms, course development teams etc.; anticipation of any disruption in services during the transition that would negatively impact faculty, students, and staff; availability of positive cash flow during the transition; other foreseeable issues related to funding projects during the transition etc. Who will take the lead and who will make decisions about services-goals, budget, personnel, enhancements, issues, etc.? Are there any potential risks?

Evidence and Analysis

The acquisition of USAHS by Altas also involves the transition of some key and essential services from Laureate to the institution. While a majority of student-focused services such as marketing, admissions, student services, financial aid, bursar's office, faculty development have always resided at the institution, some of the core areas infrastructure such as the office of legal services, regulatory compliance, IT, HR, and finance will be transitioned over from Laureate. Several members of the Laureate team have been given an option to move to USAHS, and twenty one (21) positions have been opened up to support the transition of departments and functions. Additionally, some of the members of the leadership - Deborah Zimic the Legal Counsel, and Susan Waugh the Executive Director of Human Resources - have already moved from Laureate to USAHS.

There is a formal transition agreement that is currently in effect between Laureate and USAHS and the cut-over is expected to take 12 months. However, several members of the leadership and transition team mentioned that in the event it did overflow beyond the 12-month "formal transition period", Laureate would continue to support USAHS and do what it needed to take to get the change completed.

Given the scope and scale of the transition, Altas hired Deloitte (which was represented at the site visit) to assist with the transition in April/May 2018 and formed a Transition Steering Committee. USAHS has also hired a dedicated project manager to manage the transition. Deloitte partnered with various functional leaders and conducted discovery sessions. A charter was created to articulate the scope of the project with a "go-forward" structure. The team created systematic process flows and workflow documents to facilitate the changes in structure. The Deloitte team also helped the institution look at interdependencies and conducted several sessions with department leaders to identify dependent processes to address change sequence and timing. They conducted risk assessments to see where there could be potential points of failure. After that exercise, they believed that there was a low level of dependence on Laureate and the infrastructure changes in the specific areas mentioned above could be safely conducted with minimal risk.

The team determined that the transition consisted of 3 phases – 1. Planning; 2. Risk Assessment; 3. Implementation. A comprehensive project plan was put into place and a binder with specific details of the plan was offered to the WASC site visit team as evidence. See table of contents of the plan in [Appendix C](#).

The team has decided to keep Blackboard as the LMS at least for the near term. The plan is to migrate from the Laureate servers to a Blackboard hosted server in 2019 at the end of the Spring term. Other vendors related to ERP and academic technologies will continue to be the same, except USAHS will contract with them directly and sign the SLAs instead of Laureate. No major changes of these vendors are expected at this time. One of the areas evaluated by the transition team was regarding potential increases in costs of these technologies given that there

would be no longer economies of scale due to the separation with Laureate. However, in the negotiations with the vendors, the institution realized that the costs were either minimal or negligible for the cut-over. Another area that was mentioned by members of the management team, staff and faculty were regarding concerns about changes to employee benefits and costs related to the same. There was concern about costs for benefits skyrocketing or moving to other vendors. However, it appears that the HR team was able to negotiate a new package for USAHS which would have negligible impact as well. Finance is another area where there will be major changes due to key functions being brought in-house such as payroll, taxes, accounts etc. But it appears that the institution is capable of handling these additions under the leadership of their existing Executive Director of Finance – Mr. Jeffrey Lagasse. It does not appear that these transitions will impact the other campuses directly, and it was mentioned that for most part these changes will be seamless or even transparent to the campuses.

It also appears that there have been on-going and open communication with staff and faculty about the transition and the resulting changes. On several occasions, during the conversations, the term “bottom-up strategy” was mentioned to indicate that the university community has been involved during the entire process of planning the transition. In speaking with staff, faculty, and students, there does not seem to be any concerns about a transition. In fact, one of the faculty members said that this transition was much better planned and organized as compared to another change of ownership that had occurred in 2013. As addressed earlier, their only concern seemed to be in the area of health and other employee benefits. Members of the board as well as the Altas team expressed confidence in a smooth transition executed by a strong management team led by a very capable president.

Costs for the transition have already been allocated as per their plan documents submitted as part of the WASC proposal. They have also accounted for one-time expenses in the 12-month budget. The visit team did not see any major concerns with either the plan or the funding for the same. Laureate will continue to assist and provide support if something doesn’t go right. The team spoke highly of Mr. Roger McKinney, Vice President and CFO-US Institutions who was the designated go-to person responsible for the transition. Staff and faculty mentioned that they took comfort in knowing that there is a “backup” plan in the event they needed to roll something back.

Conclusion

In conclusion, it must be said that the transition plan for the change in ownership and the subsequent migration of several mission critical services from Laureate to USAHS has been thoughtfully architected with the help of Altas and Deloitte. The scope and scale of the transition has been thoroughly vetted, and a risk assessment exercise has occurred as part of the process. The transition will be conducted in multiple phases and is expected to be completed in 12 months. The plan seems to be adequately resourced with support by Altas if additional funding is necessary. Some positions have transitioned from Laureate and other new positions have been created. The transition process appears to be adequate to support the change.

SECTION III. Commendations, Recommendations, and Conclusion

Commendations

The institution has undertaken an elaborate and thoughtful transition plan and process for the change in ownership. It has engaged a consulting company and conducted exercises in discovery, risk assessment, process modifications, and inter-dependency analyses to support the change. It is anticipated that the 12-month long timeline will give the institution a chance to do this with minimal trauma and risk.

There seems to be a high level of confidence in the capabilities of the executive leadership team and the president by the Board of Directors and the new parent company.

The long-range strategic plan for USAHS and the financial backing for the same appears to poise the institution for growth and innovation.

Recommendations

Even as the institution is poised to grow, ensure that enrollment plans continue to be aligned with the mission and strategic plan. (CFR 3.4)

Review the mission statement periodically to ensure it meets the long term vision and needs of the institution and its constituents. (CFR 1.1, 1.4)

Continue to maintain the independence of the Board of Directors and UCAP given the changes in ownership. (CFR 3.9, 4.7)

Ensure that the university is able to provide optimal levels of services to support an increased student body especially in the areas of classroom, technology, labs, and student facing infrastructural support. (CFR 3.4, 3.5)

Maintain independence in financial decision making and ensure that enrollment projections and tuition assumptions are realistic and aligns with the strategic direction of the university. (CFR 3.4)

Carefully monitor the transition process to ensure essential services are not disrupted or negatively impact faculty, staff, and students. (CFR 2.13, 3.5)

APPENDICES

APPENDIX A

Agenda and Schedule for Site Visit



UNIVERSITY OF ST. AUGUSTINE

F O R H E A L T H S C I E N C E S

WSCUC Structural Change Visit
AGENDA
Friday, September 28, 2018

Visiting WASC Reviewers	
Dr. Ruki Jayaraman Provost and CAO American Intercontinental University	Dr. JoAnn Carter-Wells Professor/Director, MS in Instructional Design & Technology Program, Emeritus California State University, Fullerton

Time	Participants	Location
8:30-9:00	Intro to WASC work room, get situated, pick lunch from menu, technology access, updates	Conference Room Bldg. A., 103
9:00-9:15	Welcome Vivian Sanchez, Chief Executive Officer Dr. Divina Grossman, President and Chief Academic Officer Dr. Karen Gersten, Senior Vice President Academic Initiatives and WSCUC Accreditation Liaison Officer	President's Office Bldg. A., 145
9:15-10:00	USAHS Board of Directors (Dr. Jayaraman) John Hoey, Chair of the Board Board Committee Chairs Ana Lopez-Blazquez, Finance & Business Operations Dr. Lynn Priddy, Academic and Student Affairs Dr. Paula Singer, Governance	Conference Room Bldg. A., 103
10:00-10:45	Altas Partners (Dr. Carter-Wells) Damon Conway, Partner Sam Guo, Principal Paul Nicoletti, Partner and Chief Operating Officer	Conference Room Bldg. A., 103
10:45-11:00	<i>Break</i>	
11:00-11:45	USAHS Executive Committee Members: (Dr. Jayaraman and	

	<p>Dr. Carter-Wells) Vivian Sanchez, CEO Dr. Divina Grossman, President/CAO Dr. Karen Gersten, SVP, Academic Initiatives Jeffrey Lagasse, Executive Director, Finance Terry Rakosky, SVP, Marketing, Enrollment, and Product Strategy Ray Toledo, Executive Director, Student Administration Susan Waugh, Executive Director, Human Resources Deborah Zimic, Legal Counsel</p>	<p>Conference Room Bldg. A., 103</p>
<p>11:45 - 12:30</p>	<p>Change of Control Transition Planning (Dr. Jayaraman) Transition Steering Committee Vivian Sanchez, Chief Executive Officer Damon Conway, Partner, Altas Partners Roger McKinney, Laureate Education, Vice President and Chief Financial Officer US Institutions Transition leaders Jeffrey Lagasse, Executive Director, Finance Matthew Moline, Executive Director, Information Technology Venkat Swaminathan, Deloitte Susan Waugh, Executive Director, Human Resources Dawn Werling, Project Manager Deborah Zimic, Legal Counsel</p>	<p>Conference Room Bldg. A., 103</p>
<p>12:30-1:15</p>	<p><i>Break and lunch</i></p>	<p>Conference Room Bldg. A., 103</p>

Time	Participants	Location
<p>1:15 – 1:45</p>	<p>Faculty (Dr. Carter-Wells) Dr. Sunddip Aguilar, EdD Dr. Norman Belleza, DPT Dr. Lisa Chase, President, University Curriculum and Academic Policy Committee (UCAP) (faculty governance) Dr. Steven Gerardi, OT Dr. Michelle Gorenberg, OT Dr. Douglene Jackson, OT Dr. Edward Kane, DPT</p>	<p>Conference Room Bldg. A., 103</p>

	Dr. Kelly Layne, OT Dr. Meghan Savage, SLP Dr. Jordan Utley, MHS Jeffrey Williams, MS-PAS	
1:45-2:15	Campus Tour: Current and Future Tour leaders: Dr. William Ganza, Dr. Kayla Collins, Dr. Maria Puzziferro, Matthew Moline	All Buildings
2:15 -3:00	Technology and Online Learning (Dr. Carter-Wells) Matthew Moline, Executive Director, Information Technology Dr. Maria Puzziferro, Executive Director, Innovation and Online Education Dr. Kayla Collins, Director, Online Learning Innovation and Support Dr. William Ganza, Manager, Faculty Development	Conference Room Bldg. A., 103
3:00-3:30	Alumni and students (Dr. Jayaraman)	Conference Room Bldg. A., 103
3:30-4:00	Staff (Dr. Carter-Wells) Representatives from diverse areas Recruitment: Julie Gonick, Executive Director of Enrollment Marketing/Communications: Jennifer Martinez, Marketing Manager Student Advising: David Schoenherr, Academic Advisor Institutional Research and Assessment: Nga Phan, Executive Director, Institutional Research and Assessment Clinical Education: Dionne DeGrande, Dept. Head, Clinical Education Human Resources: Kristina Alfonso, Manager, Human Resources Registrar: Brooke Nelson, Assistant Registrar Financial Aid: Mary Grawl, Financial Aid Counselor Facilities: Sylvia Berenguer, Executive Director, Facilities Accreditation: Sandra Fernandez, Senior Accreditation Coordinator	Conference Room Bldg. A., 103
4:00-4:30	<i>Break</i>	
4:30-5:00	Debrief with USAHS Leadership Vivian Sanchez, Chief Executive Officer	President's Office

	Dr. Divina Grossman, President and Chief Academic Officer Dr. Karen Gersten, Senior Vice President Academic Initiatives and WSCUC Accreditation Liaison Officer	Bldg. A., 145
5:00	Depart from campus – Drive to San Diego	
6:30 - 8	Debrief and Dinner	

APPENDIX B

List of Interviewees



UNIVERSITY OF ST. AUGUSTINE
FOR HEALTH SCIENCES

WSCUC Structural Change Visit Friday, September 28, 2018

Participants
USAHS Board of Directors <ul style="list-style-type: none">▪ John Hoey, Chair of the Board▪ Board Committee Chairs<ul style="list-style-type: none">▪ Ana Lopez-Blazquez, Finance & Business Operations▪ Dr. Lynn Priddy, Academic and Student Affairs▪ Dr. Paula Singer, Governance
Altas Partners <ul style="list-style-type: none">▪ Damon Conway, Partner▪ Sam Guo, Principal▪ Paul Nicoletti, Partner and Chief Operating Officer
USAHS Executive Committee Members <ul style="list-style-type: none">▪ Vivian Sanchez, CEO▪ Dr. Divina Grossman, President/CAO▪ Dr. Karen Gersten, SVP, Academic Initiatives▪ Jeffrey Lagasse, Executive Director, Finance▪ Terry Rakosky, SVP, Marketing, Enrollment, and Product Strategy▪ Ray Toledo, Executive Director, Student Administration▪ Susan Waugh, Executive Director, Human Resources▪ Deborah Zimic, Legal Counsel
Change of Control Transition Planning Transition Steering Committee <ul style="list-style-type: none">▪ Vivian Sanchez, Chief Executive Officer▪ Damon Conway, Principal, Altas Partners▪ Roger McKinney, Laureate Education, Vice President and Chief Financial Officer US Institutions▪ Transition leaders<ul style="list-style-type: none">▪ Jeffrey Lagasse, Executive Director, Finance▪ Matthew Moline, Executive Director, Information Technology▪ Venkat Swaminathan, Deloitte Consulting, Managing Director▪ Susan Waugh, Executive Director, Human Resources▪ Dawn Werling, Project Manager

<ul style="list-style-type: none"> ▪ Deborah Zimic, Legal Counsel
<p>Faculty</p> <ul style="list-style-type: none"> ▪ Dr. Sunddip Aguilar, EdD Program Director ▪ Dr. Norman Belleza, DPT ▪ Dr. Lisa Chase, President, University Curriculum and Academic Policy Committee (UCAP) (faculty governance) ▪ Dr. Steven Gerardi, OT ▪ Dr. Michelle Gorenberg, OT ▪ Dr. Amy Herrington, DNP

<p>Faculty</p> <ul style="list-style-type: none"> ▪ Dr. Edward Kane, DPT ▪ Dr. Kelly Layne, OT ▪ Dr. Meghan Savage, SLP ▪ Dr. Jordan Utley, MHS ▪ Jeffrey Williams, MS-PAS
<p>Technology and Online Learning</p> <ul style="list-style-type: none"> ▪ Matthew Moline, Executive Director, Information Technology ▪ Dr. Maria Puzziferro, Executive Director, Innovation and Online Education ▪ Dr. Kayla Collins, Director, Online Learning Innovation and Support ▪ Dr. William Ganza, Manager, Faculty Development
<p>Alumni and students</p> <ul style="list-style-type: none"> ▪ Philip C Long ▪ Naureen A Imam ▪ Kasey Barber ▪ Jane Chen ▪ Nicole A Olney ▪ Stephen K Simpson ▪ Darren M Solano ▪ Nicole K Jaeger ▪ Jennifer Wunder ▪ Tiffany N Barnes ▪ Kinsey Cooley ▪ Lindsay N Richards ▪ Karly E Horne ▪ Aerial Bailey ▪ Jenna Dahl ▪ Sean Witkin ▪ Katherine Houston
<p>Staff</p> <p>Representatives from diverse areas</p> <ul style="list-style-type: none"> ▪ Recruitment: Julie Gonick, Executive Director of Enrollment

- Student Advising: David Schoenherr, Academic Advisor
- Institutional Research and Assessment: Nga Phan, Executive Director, Institutional Research and Assessment
- Clinical Education: Dionne DeGrande, Dept. Head, Clinical Education
- Clinical Education: Vanessa Alves, Manager, Clinical Education
- Human Resources: Kristina Alfonso, Manager, Human Resources
- Registrar: Brooke Nelson, Assistant Registrar
- Financial Aid: Mary Grawl, Financial Aid Counselor
- Facilities: Sylvia Berenguer, Executive Director, Facilities
- Accreditation: Sandra Fernandez, Senior Accreditation Coordinator

APPENDIX C

Transition Plan: Areas of Focus

1	Transition Management Office
2	Financial Aid
3	Bursar
4	Finance
5	Human Resources
6	Information Technology
7	Accreditation
8	Government
9	Treasury
10	Legal and Compliance
11	Policies
12	Procurement
13	Insurance
14	Online Development
15	PR and Communications

APPENDIX D

Proposed Building Projects



Confidential Team Recommendation

The team analyzed the existing documentation, and conducted interviews with the board of directors, senior leadership, the transition team, faculty, staff, and students at the USAHS campus in San Marcos, in keeping with WSCUC standards for accreditation. The team paid special attention to six detailed lines of inquiry around Enrollment Growth and Management, Mission, Governance, Capacity to Provide Services, Finances, and the Transition Process.

Based on the existing evidence and WSCUC standards, the team recommends the approval of the change in ownership of USAHS from Laureate to Altas. The team concluded that this acquisition aligns with USAHS strategic plans and benefits the educational needs of its students. It has been demonstrated that the institution is prepared with the resources, funding, policies, and procedures to make the acquisition successful.