

REPORT OF THE WSCUC TEAM

SPECIAL VISIT

to

Claremont School of Theology

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Submitted by

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

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Section I

Overview and Context

A. Description of Institution and Accreditation History

Claremont School of Theology (CST) is a free-standing seminary, affiliated with the United Methodist Church (UMC), that describes itself as "ecumenical and interreligious in spirit," a characterization supported by its close relationships with various other denominations.

CST evolved from Maclay College of Theology, which was founded in 1885 at San Fernando, California and moved, in 1894, to the campus of the University of Southern California (USC), then affiliated with the UMC. When USC severed its ties to the Methodist Church in 1956, CST became an independent corporation related to the UMC and relocated to its present site in Claremont, California in 1957. As of Spring 2018 CST enrolled 420 students in Master of Arts (MA), Master of Divinity (MDiv), Master of Theological Studies (MTS), Doctor of Ministry (DMin), and Doctor of Philosophy (PhD) programs.

CST was first accredited by the WASC (now WSCUC) Senior College and University Commission in 1971. Since that time CST has had an uneven accreditation history, resulting in various sanctions, with the School's fragile financial condition being a common theme. In 2008, in an effort to enhance its ecumenical mission and improve its financial situation, CST established--with Jewish and Muslim partners--the University Project which, in 2011, created Claremont Lincoln University (CLU) with CST serving as the incubator. However, not only were the desired outcomes not realized but numerous problems resulted and, in 2013, CST began the process of separating from CLU. Following Special Visits in September 2013 and December 2014 the Commission--in its Action Letter of March 4, 2015--acknowledged efforts by CST to restore financial sustainability, but found it in non-compliance with Standard 3, specifically CFR 3.4,¹ issued a Warning, and scheduled a Special Visit for spring 2016 to address concerns about financial sustainability and planning.

¹ The 2014 visit was under the 2008 Handbook on Accreditation and the CFR was 3.5. Under the 2013 Handbook it is 3.4.

That visit occurred March 10-11, 2016 and, in its Action Letter of July 8, 2016, the Commission noted the progress made since the visits in 2013 and 2014 and commended CST for its "understanding of the complexity of its financial situation" and the development of a plan to address it; the implementation of a strategic planning process; strong presidential leadership and an effective, committed staff; the manner in which it was meeting its ambitious enrollment and fund-raising goals; and the "emerging engagement of the Board of Trustees." However, while indicating its encouragement with the progress made, the Commission noted the financial deficits of \$3,907,080 in FY 2014-2015 and the projected deficit of \$6,565,110 for FY 2015-2016 and, on that basis, found CST in non-compliance with CFR 3.4; continued Warning for one more year; recommended further development of issues identified in the team's findings; and scheduled another Special Visit for fall 2016 focused on "conditions of the Warning related to compliance with CFR 3.4 on financial responsibility."

That visit occurred on December 6-7, 2016. In its March 9, 2017 Action Letter, the Commission noted that significant progress had been made and again commended CST for the efforts made to come into compliance with CFR 3.4. While noting that CST was still in non-compliance with Standard 3, the Commission also found that, as provided by WSCUC policy and consistent with federal provisions, "good cause" existed to extend Warning for an additional two years to spring 2019 and scheduled another Special Visit for spring 2018.

B. Description of the Team's Review Process

The team's review was limited to CFR 3.4 and focused on interrelated issues identified for further development by the December 2016 team and included in the Commission's Action Letter of March 9, 2017. Those issues were:

- the need to conclude as quickly as possible legal proceedings related to the sale or lease of campus property and to sell property as expeditiously as possible;
- the acquisition of a bridge loan or alternative financing in an amount necessary to support operations for not less than two years;
- the adoption and implementation of a comprehensive budget and financial model that assumes proceeds from the sale/lease of property would not be available for the next several years; and

--the need for the Board of Trustees to quickly build on recent efforts to expand CST's fund-raising infrastructure, to develop its expertise and its active involvement in fund-raising, and to assert a prominent leadership role in obtaining funds.

The first of these issues is addressed in Section II A below, two and three in Section II B as a part of a comprehensive review of CST's financial situation, and the fourth in Section II C. An additional significant topic that has developed since the last Special Visit and Commission Action Letter relates to the effort of CST to address its fragile financial situation through a possible embedding with Willamette University located in Salem, Oregon. That topic is discussed in Section III of this report.

The team met via conference call on March 2, 2018 to evaluate the CST report, agree upon topics for further inquiry, develop lines of questioning, identify additional supporting documents, and finalize the visit schedule and team assignments.

The visit started with a team meeting the afternoon and evening of April 16 and concluded at Noon on April 18. All three team members were present throughout the visit and the WSCUC vice president who staffed the visit participated until the last day.

The team met with the CST president, chair of the Board of Trustees Finance Committee, 10 of the 29 trustees, 4 electronically; vice presidents of business affairs/CFO, academic affairs/dean of faculty, and advancement and communications; independent external auditor; the Faculty Policy Committee; and the CST enrollment team. The team also talked, via conference call, with the president, provost, and accreditation liaison officer of Willamette University. Additionally, a team member conversed electronically with the bishops of the Desert Southwest Conference, the California-Pacific Conference, and the Greater Northwest Area of the United Methodist Church. The team also received emails from two students on the confidential email account. Both dealt with curricular and/or personal matters that are strictly internal, as opposed to topics that would be within the team's purview.

C. The Institution's Special Visit Report

CST's report was submitted in a timely manner, is well-written, and is appropriately focused on--and organized around--the issues identified in the Commission's March 9, 2017 Action Letter.

The report, and supporting appendices, provide evidence of CST's engagement with, and understanding of, the critical issues with which it is confronted. The evidence provided supports the narrative and indicates a detailed analysis of the institution's financial situation. Conclusions are candidly drawn from the analysis and specific plans of action have been developed and implemented to help assure the institution's short and long-term viability.

However, as noted in Section II A below, CST is not entirely in control of its own destiny with regard to the likely or unlikely success of plans to address its financial situation. Given this reality there is recognition by CST leadership that, should current plans not be successful, alternate scenarios must be developed and successfully implemented if CST is to survive. While the report states that such scenarios are being actively explored, it does not indicate what they are. Given the sensitive and confidential nature of "worst case" scenarios that are being considered, and given legal implications discussed in Section II below, it is understandable that they were not identified in the report, but they were pursued by the team during the site visit.

Section II

Team's Evaluation of Issues Identified in Commission's March 9, 2017 Action Letter

A. Sale of Campus Property

As the team report of the December 2016 site visit indicated, one result of a 2015 strategic planning process was the decision to sell or lease part of the CST campus in order to address the institution's worsening financial condition, acknowledge its extensive deferred maintenance, and adjust to changing enrollment trends that require less campus space. The CST president approached the CEO of neighboring Claremont University Consortium (CUC) concerning possible interest. At the time of the March 2016 Special Visit the team was told that discussions were proceeding in a positive manner.

However, two subsequent developments altered the climate of negotiations. The first related to a difference over the value of the property and the second was a dispute over the continuing validity of a 1957 Grant Deed under which CST purchased 16.4 acres from CUC's predecessor. When CST rejected an offer of \$14 million for 10.5 acres of the entire 16.4 acre campus, appraised at approximately \$25 million two years ago, CUC asserted its claim to the property under the provisions of the 1957 Grant Deed and a related 2001 agreement which gave CUC's predecessor institution "right of first offer" on any sale of CST property. In response, the CST Board of Trustees took the position that the Grant Deed and 2001 agreement were not legally binding and on August 31, 2016 filed a "Complaint for Quiet Title and for Declaratory Relief."

Regrettably, efforts of CST to sell its campus have been stalled by legal proceedings that have followed. On August 23, 2017 CST filed a Motion for Summary Judgment and CUC countered with its Motion for Summary Judgment, but before the scheduled hearing the Court ruled that the issue was "difficult to dispose of by way of summary judgment" and removed the motion from the judicial calendar. In response CST re-filed a revised and narrowed Motion for Summary Adjudication that focused on three assertions: that the "right of first offer" in the Grant Deed was terminated by Statute in 1988; the agreement violated the Subdivision Map Act; and that CUC did not have standing to assert right of first offer because it was not party to the agreement. On

January 29, 2018, the Court ruled in favor of CST on the first and third issues but denied the second and a trial was scheduled to begin on March 6, 2018.

In the meantime, CUC filed a "Petition for Writ Mandate" ("Writ Petition") with the Court of Appeal, asserting that the summary adjudication ruling had stripped it of "most of its defenses." On February 28, the Court of Appeals ordered a "Temporary Stay" of the trial scheduled for March 6 to allow CST time to file its opposition to the Writ Petition by March 15, 2018, which it did. On the last day of the visit the CST legal team filed an *ex parte* motion to get the trial scheduled as soon as possible and, on April 19--the day after the visit--the team was informed by the CST president that the Court, despite opposition from CUC, scheduled the final status conference for July 6 and a trial date on July 16.

Until a ruling is made by the Court, CST is not in a position to move forward with several expressions of interest in purchasing the campus.

B. Update on Financial Issues

The need to stem unrestricted operating fund deficits and to obtain operating capital for at least two years was emphasized in the team's 2016 site visit report as it appeared that CST would likely deplete all internal sources of capital within that timeframe. A review of the audited financial statements for FY 2016-2017 supports the team's 2016 concerns as they indicate an annual unrestricted fund operating deficit of \$3,760,030 for the year ended June 30, 2017 and an accumulated unrestricted fund operating deficit of \$10,999,057 as of June 30, 2017. The audited financial statements for FY 2016-2017 also indicate that the value of unrestricted endowment funds was -\$26,131,543 as of June 30, 2017, which resulted from accumulated endowment borrowing of \$16,246,107 and from the accumulated unrestricted fund operating deficit of \$10,999,075, net of changes in investment valuations. Finally, the audited financial statements indicated that CST had permanently restricted endowment of \$37,364,650 as of June 30, 2017, but total endowment of only \$11,233,107 due to the negative balance in unrestricted endowment funds of \$26,131,543.

The impact of continuing unrestricted fund operating deficits and the need for operating capital is further confirmed by the U.S. Department of Education in a letter dated July 11, 2017. The letter indicated that CST had a financial responsibility score of 0.6 based on its audited financial statements as of June 30, 2016. The score of 0.6 (out of a possible score of 3.0 with a score of 1.0 and above considered financially responsible) required CST to obtain an irrevocable line of credit in the amount of \$1,489,169 in order to continue participation in federal Title IV student aid programs.

A review of CST's audited financial statements for the fiscal year ended June 30, 2017 indicated that Title IV student loans awarded equaled over 71% of gross student tuition and fee revenues of \$4,418,495. The review also indicated that institutional grants reduced gross tuition and fee revenue to \$2,087,893, which represents an overall tuition discount rate of almost 53% for the fiscal year ended June 30, 2017. Finally, the review indicated net tuition and fees of \$2,087,893 equaled almost 29% of total unrestricted revenues of \$7,326,363 and almost 26% of total unrestricted expenditures of \$10,619,343.

The team notes that recent enrollment gains at CST have been dramatic. The school boasts a 121% increase in its student body over the last eight years. Headcount rose sharply between 2010 and 2013, from 190 to 293, rising again over the next five years to 420. Gains slowed this year to 2%, likely reflecting the impact of the anticipated move to Willamette University. Included in this year's number are 43 spring admits, an impressive accomplishment under current conditions. Enrollment staff noted that a small decrease in applications this year was offset by a higher yield. This suggests the hard work of enrollment staff to convert applications to students has been successful. Among other signs of staff effectiveness, the team noted the school's low loan default rates ranging in recent years from 4.2% to 0% to 2% this year. Retention is at 92%. CST's current fiscal year ending June 30, 2018 discount rate for new students, at 43%, is modest by mainline seminary standards.

Although online programming, added in 2014, accounts for a portion of recent enrollment gains, growth in residential programs has been strong over the last three years, increasing from 278 in 2015 to 291 in 2016 and to 306 in the fall of 2017. Residential enrollment during the same years

represented 83% (2015), 75% (2016), and 73% (2017) of the student body. Overall, enrollment and student services at CST reflect the success of a strong plan, well-executed and an ability to build on increases despite the challenges of the larger environment.

Despite the aforementioned enrollment gains, a CST budget projection for FY 2017-2018 indicates an unrestricted fund operating deficit of \$1,086,573. Another set of CST budget projections through FY 2021-2022, that are based on numerous assumptions about “embedding” CST within Willamette University starting in FY 2018-2019, indicates that CST should have little or no operating deficit by the end of FY 2021-2022. The assumptions, it should be noted, make allowances for the impact of the move to Salem, OR, including reduced enrollment, reduced fundraising, reduced overhead costs, severance payments to faculty and staff not being retained by Willamette University, and the cost of a three-year geographical teach-out of students remaining in Claremont, CA.

In order to replenish its unrestricted endowment funds and become an attractive “embedded acquisition” for Willamette University, CST needs to sell its campus property for at least \$26,131,543 (based on June 30, 2017 valuation and increased by any FY 2017-2018 unrestricted operating budget deficit). CST also needs additional proceeds from the sale of campus property of approximately \$14,000,000 to repay its loans (approximately \$7,000,000) and to cover its legal expenses net of insurance coverage, as well as to fund all the costs associated with moving to, and embedding with, Willamette University (approximately \$7,000,000). Finally, CST needs to find alternative sources of funds, including loans and gifts, to “bridge” the financing of its projected unrestricted operating deficits until it can sell its campus property and balance its unrestricted operating budget, whether through embedding with Willamette University or through some other scenario.

Efforts to raise “bridge” funding have resulted in the securing of approximately \$3,200,000 in short-term loans and gift pledges from multiple sources with approximately \$2,500,000 expected to be secured by summer 2018. Loan and gift pledge sources include trustees, churches and church networks associated with trustees, CST faculty and staff, three United Methodist Church conferences, and friends of CST.

The team notes that the approximately \$600,000 in loans secured from CST faculty and staff was contingent upon the trustees matching the commitment with approximately \$1,800,000 in pledges, which was not achieved by the trustees, but is expected to be honored by the faculty and staff. The team also notes that most of CST's existing debt (\$3,960,286 as of June 30, 2017) and most of its new "bridge" loans are secured by campus property and will therefore have claims against the proceeds from the sale of campus property.

Per the site team's recommendation in its December 2106 report, CST has developed and is utilizing somewhat sophisticated operating budget and cash flow models. Extensive review by the site team of budget and cash flow projections and their associated assumptions that assume embedding with Willamette University beginning in FY 2018-2019, indicate that the approximately \$5,800,000 in gifts and loans expected to be raised by summer 2018 will provide adequate funding through the end of FY 2018-2019, but not beyond that time.

Although these projections appear to be accurate, they are of concern to the site team as it is not known when the CST campus property can be sold, the adequacy of the proceeds of such a sale, the ability of CST to raise additional gifts and loans, and the timing of the embedding with Willamette University. It is therefore difficult for the team to ascertain if the funding of CST through the end of FY 2018-2019 is enough to secure financial stability and realistically address its accumulated deficits and its unrestricted endowment borrowings (CFR 3.4).

The team notes that CST is pursuing several other contingent scenarios in the event that embedding with Willamette University does not occur. These other contingent scenarios include negotiations with several other academic institutions and the pursuit of a developer or another entity to buy or lease the campus property. A long-term lease, the team acknowledges, has the potential to eliminate the need to sell the campus property and to end the litigation surrounding its sale.

The other contingent scenarios being pursued by CST are still in their developmental stages and therefore cannot be fully assessed by the team at the time of the site visit. It is also difficult for

the team to ascertain if there is adequate time or resources to pursue these several other contingent scenarios for the future of CST.

C. Fundraising Infrastructure and Board Leadership

Historically, the role of the Board of Trustees in providing leadership in fund-raising activities and in giving to CST has been minimal. Prior to the current president there was little history or expectation of board giving or involvement in fundraising activities. An advancement plan of 2015 proved to be far too optimistic with regard to expected contributions from trustees; a goal in FY15-FY16 of \$1.2 million from trustee-assisted fundraising and of \$150,000 in trustee giving yielded no contributions from trustee-assisted fundraising and \$101,721 in trustee donations.

By the time of the December 2016 Special Visit a new vice president for advancement had been appointed and had developed more realistic projections and had initiated an effort to assist trustees in understanding their role in fundraising. The team found that trustees, generally, were now aware of the importance of trustees in generating financial support for CST and some members seemed genuinely interested in becoming more effective in that role. The Commission recognized the efforts of the trustees but, as noted above, stated that they must move quickly to increase their expertise and their involvement in, and leadership of, the institution's advancement program.

A continuing effort is being made to increase the expertise of trustees in fundraising. An experienced, knowledgeable, and dynamic vice president for advancement--now in her second year--has had individual conversations with 20 of the 29 trustees and all have been provided written material on fundraising. There is a new chair of the Board's development committee who, although new in this kind of role, is leading by soliciting other trustees for loans and gifts and by example in committing her own resources. A new board member has been recruited and has donated \$100,000 and loaned an additional \$100,000. Another trustee has organized an event in Honolulu in an effort to secure pledges and is working with an alumnus to host an event for the Korean Endowment Fund Scholarship, while another trustee is leading an attempt to raise money in Korea.

Some board members have been involved in efforts to acquire bridge financing, soliciting loans from their church congregations. Trustees have pledged \$118,000 for bridge financing; \$535,000 for loans; and have secured \$400,000 in loans from churches or other networks. Trustee donations rose to \$245,140 in FY2017 over \$101,721 in FY2016, although only 4 of the 29 trustees made major gifts. However, trustee giving is down during the first six months of FY18 compared to FY17 and FY16. As noted previously, it is a remarkable example of faculty commitment to CST that it--not the Board of Trustees--initiated an internal fundraising effort and pledged \$600,000 in loans contingent upon trustees securing \$1.8 million in pledges and agreed to honor their pledges even though trustees have not yet made their goal.

While the effort and results of trustee involvement in fundraising indicate improvement since the last Special Visit, it is also apparent that few major gifts are likely to come at this time from within the Board. Only approximately 25% of the trustees have attained the level of giving or getting the minimum expectation of board policy. The CST report notes considerable discomfort on the part of a number of trustees in soliciting funds and limited ability to make major donations. For example, 8 trustees were provided contact lists of alumni/ae and possible donors in their geographic areas, along with suggestions for approaches they might use, but those efforts yielded nothing except discomfort on the part of trustees to initiate such contact at this time.

While there is evidence of movement in the right direction with regard to trustee involvement in fundraising--and a few new members are taking leadership positions--it must be recognized that the institution's legal situation and the possible move to Willamette University raise questions about how successful efforts to secure donations and recruit new trustees can be.

The less than desired results in fundraising does not mean disinterest on the part of the trustees or lack of involvement. The team meeting with 10 of the trustees provided strong evidence of a deeply felt dedication to CST and its mission and strong support for--and involvement in--efforts of the president to secure the institution's future.

With regard to the overall infrastructure of the fundraising effort, the team found significant improvement since the December 2016 visit. The vice president for advancement, who was new

at the time of the last visit, has now put in place the structure, processes, and personnel necessary for a successful fundraising program and, despite the uncertain environment, is re-establishing lost contact with former donors and with alumni, and identifying and cultivating new prospects.

As noted throughout this report, the site team is impressed with the dedicated and competent senior leadership team and faculty of CST. It will therefore be important that the Board of Trustees consider developing and implementing succession plans and/or incentive programs to retain these valuable human resources during this critical time of institutional transition (CFRs 3.1, 3.8).

Section III

Possible Relocation to Willamette University

Some of the most significant questions before CST are those related to the proposal to embed with Willamette University. While preliminary discussions have gone smoothly, and the proposal enjoys strong support from the CST community, several large issues are yet to be resolved. A firm timeline for completing due diligence and implementing embedding procedures will need to be put in place as soon as CST's court case is resolved.

Fundraising and Enrollment

It was unclear to the team how likely CST donors are to 'make the move' to Willamette. The market evaluation study completed in October 2017 outlines the competitive landscape in terms of its effect on recruitment and labor market demands, but provides little data regarding fundraising opportunities. The Bishop of the UMC Conference that includes Salem describes the area as "open minded and open hearted" but noted that there is a question about UMC "capacity to support these ventures." Further study will be needed as advancement staff shifts its focus to include the new geographic area.

While CST continues to hold onto enrollment gains, the proposed move poses a challenge for planning. Spring 2018 admits were strong and Fall 2018 projections look good (at the time of the visit 23 MDiv admits had been confirmed for Fall 2018 compared to 17 at the same time last year), but the question of how to project post-merger enrollment is a significant one. The 2017 market evaluation study and Association of Theological Schools guidelines indicate losses in the range of 30% are to be expected. CST enrollment staff believes losses are likely to be smaller but as yet have little evidence to counter the market study's prediction of "limited regional recruitment."

The current student body is 14% international and 22% United Methodist. These two groups-- which together comprise a third of the student body--seem particularly likely to be impacted by a move to the Northwest. Although WU welcomes international students, the population surrounding the university is relatively homogenous. The larger community includes only one significant racial-ethnic minority group. Issues of denominational affiliation compound the

challenges. Although the Bishops of the three conferences most directly related to CST-- Southern California, Desert Southwest, and Greater Northwest--believe the move represents new opportunities for the school and agreed that UMC support for enrollment, church relations, and funding would continue with “not too much change”, the questions of critical mass remain to be addressed. Methodist students seem less likely to find their niche in a state where the UMC comprises barely 1% of the state’s population.

In addition, CST must take account of the questions surrounding the residential student body. Will some current students make the move to Oregon? Will some or most finish in the teach-out program? How will PhD students (nearly 100) be accommodated? Currently nearly 65% of the student body come from the state of California. How can CST project their presence going forward? Finally, there is the question of the region’s historical resistance to institutionalized religion. Oregon is among the highest religiously-unaffiliated states in the country, second only to Vermont. How will this affect the make-up of a CST at WU student body?

Enrollment staff members told the team they have no specific plans in place to increase online enrollment. Given the issues affecting residential students cited above, a strategy to increase online enrollment is something CST will need to consider going forward. The CST Report states that “impacts to enrollments and donations can only be guessed at” and during the visit the team found staff faithfully striving to not only maintain, but increase enrollment despite the very recent loss of the chief enrollment officer. More work will be needed to refine projections in both enrollment and fundraising.

Governance

Questions about post-merger governance have been identified by CST leadership and initial conversations begun. Chief among these are questions about what form the CST Board will take going forward. The WU president and provost indicated that early discussions have focused on various advisory board models, but that negotiations will likely continue through the due diligence period. Current CST board members, president, and dean agreed and indicated that it is not yet known which, if any, Board members would follow the school to its new setting. The

CST Board chair described the move's impact on the Board as "a significant transition" toward "something more like an advisory board."

Preliminary planning is also being done on the restructuring of staff and faculty. The current plan calls for all but 2 of the 18 faculty positions to be reestablished at WU. While there is strong support for the proposed move from the faculty, it is not yet known how many individuals ultimately will move to WU. The team believes that the faculty is one of CST's greatest assets and key to a successful move. It recommends that CST consider providing support and incentives as needed so that a critical mass of faculty will transfer to the new setting.

Both CST and WU leaders told the team that specific plans have not been made regarding the new school's leadership. Presumably a dean or other key administrator will be chosen. However, at this juncture, apart from noting that the UMC will require him or her to be Methodist, no decision has been made.

University Issues

The team wondered about two key issues related to the proposed new environment:

- 1) How will WU accommodate a new school known for its racial-ethnic and cultural diversity?
- 2) Will it be possible for CST to offer traditional MDiv and DMin courses in the context of a church related--but still secular--university?

In conversation with the team, the WU provost was enthusiastic on both fronts. Although the WU student population is approximately 80% white and neither she nor the university president were sure of the precise number of WU faculty from historically under-represented racial-ethnic groups, each expressed eagerness to welcome a more diverse population into their midst. Both WU and CST leadership believe that 'the sectarian issue' is manageable given WU's status as a private institution, its historical roots in Methodism, and the generally interfaith nature of CST's theological degree programs.

Section IV

Findings, Commendations, and Recommendations

Commendations

As this team said in both the March and December 2016 reports, it continued to find an institution comprised of committed individuals who care deeply about CST and its mission and who are working diligently and in a well-organized, comprehensive manner to assure the future of a fine academic institution. The institution also has exceptional presidential leadership which is supported by an impressive senior management team. CST is commended for:

- the collegial spirit, high morale, and institutional commitment the CST community has been able to maintain in face of an uncertain future;
- the diligent and aggressive efforts being made to successfully resolve the legal challenges preventing the sale of campus property;
- the pursuit of creative solutions to assure its survival through creative partnerships with compatible institutions of higher education;
- the development and utilization of budget and cash flow models that can project future financial scenarios;
- the procurement of gifts and pledges to provide adequate operating capital through June 30, 2019; and
- continuing strength in the enrollment department and consistent increases despite the challenges of the larger environment.

Recommendations

As CST continues its effort to assure its future as a viable, vibrant institution the team makes the following observations.

1. The current legal proceedings need to be successfully resolved in CST's favor as quickly as possible and the campus property sold or leased at a price that assures the institution's sustainability (CFRs 3.4, 4.7).
2. Since most of CST's future scenarios are contingent upon the successful sale or lease of its campus property and since the timing and proceeds of the sale or lease are not known, CST must develop additional financial and programmatic scenarios and related implementation strategies to assure that it can remain operationally viable beyond June 30, 2019 (CFR 3.4).
3. Given the importance of enrollment to CST's financial condition, it is critical that continued support be provided to the enrollment team. (CFR 3.4).

4. The Board of Trustees, which has increased its giving and its involvement in securing financial support since the last visit, will need to recognize that-- even if CST prevails in the legal proceedings and is successful embedding with Willamette or some other institution--it will need significant financial support during the interim and perhaps on an ongoing basis, depending how governance issues might be worked out between CST and Willamette or some other institution (CFRs 3.4, 3.9).
5. The board of trustees should consider the development and implementation of an appropriate succession plan and/or incentive program to assure that CST retains qualified administrators and faculty during these critical times of institutional transition (CFRs 3.1, 3.8).