

REPORT OF THE WASC SPECIAL VISIT TEAM

to

Hope International University

March 24 – 26, 2014

Team Roster

Stephen C. Morgan, Chair

President, University of the West

Andrew T. Allen, Assistant Chair

Vice President and Provost, University of San Diego

Terry Rawls

President of Strategic Transitions Group

Bradley E. Williams

Executive Vice President, Simpson University

Christopher Oberg, WASC Liaison

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

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 WASC website.

TABLE OF CONTENTS

	Page numbers
I. OVERVIEW AND CONTEXT	1
A. Description of the Institution and Visit	1
B. The Institution’s Special Visit Report: Quality of the Report and Supporting Evidence	4
II. EVALUATION OF ISSUES UNDER THE STANDARDS	5
A. Financial and Enrollment Stability	5
B. Retention and Graduation Rates.....	13
C. Governing Board.....	16
D. Strategic Planning.....	19
E. Academic Programs.....	22
III. FINDINGS AND RECOMMENDATIONS	28

SECTION I. OVERVIEW AND CONTEXT

A. Description of the Institution and Visit

The Special Visit to Hope International University (HIU or Hope) began on March 24, 2014 when the team met to discuss key issues and review the schedule. After two days of meetings with Hope administration, staff, faculty and students, the visit concluded on March 26, 2014 with the chair describing the team’s findings first to the president and then to a meeting with the president and his cabinet.

The primary purpose of the visit was to follow-up on the special visit that occurred two years earlier in spring 2012. HIU has had a history of recurring, serious financial problems and that led to requests for Interim Reports in 2009, 2010, and 2011. In January 2012, these financial concerns led the WASC Commission to schedule a Special Visit for April 2012. The ensuing Special Visit team discovered that Hope had recently committed to remaining at the Fullerton campus, and had installed new leadership and launched many new initiatives. At that time, it was not possible for the team to conclude that these changes would put Hope on solid financial ground. Thereafter, in July 2012, the WASC Commission requested a meeting with HIU’s leadership within 90 days, scheduled another Special Visit for spring 2014 with five areas of concern, and issued a Warning. In that same action letter, the Commission told HIU’s leadership that in order to be removed from the Warning, that they must demonstrate that they understand the urgency, depth and longstanding nature of the problems facing the institution and have committed to resolve those problems. The team

focused its time and effort on the issues raised in the action letter, with the primary issue being financial stability.

Hope’s mission is to, “empower students through Christian higher education to serve the Church and impact the world for Christ.” Hope is a private, non-profit, non-denominational Christ-centered university founded by and affiliated with the Christian Churches and Churches of Christ.

Hope is regionally accredited by the WASC Senior College and University Commission, and programmatically accredited by the Association for Biblical Higher Accreditation (ABHE) and by the Commission for the Accreditation of Marriage and Family Therapy Education (COAMFTE).

Hope specializes in undergraduate and graduate degrees in the areas of church ministry, missions, education, business, music, psychology, human development and other social sciences. It offers one associate degree, 23 bachelor’s degrees and 11 master’s degrees with 34 degrees offered on-site and 12 through distance education. Non-credit certificate leadership programs are offered as a service to church and mission organizations.

Hope’s main campus is located on an eleven-acre campus in Fullerton adjacent to California State University-Fullerton and hosts its undergraduate residential students. The Anaheim Campus is the main campus for HIU's online and graduate students.

In addition, HIU runs two education centers for working adults and graduate students: one co-located on the campus of Crossroads Christian Church in Corona; the other on the campus of Everett Community College in Everett, Washington. The Washington Higher Education Commission has granted HIU permission to offer its online programs in that state.

In 2008 HIU acquired the Apostolic School of Theology (AST), based in Sacramento. AST serves the Worldwide Pentecostal Fellowship and offers online ministry and theological education for their personnel. AST offers the following courses through Hope International University: a Bible/Ministry Certificate, an Associate of Arts, a Bachelor of Science in Christian Ministry, and a Master of Arts (Ministry).

Hope's total enrollment is 1351 students (FTE, fall 2013) and is composed of: (a) 462 traditional undergraduates, (b) 407 online undergraduates, (c) 380 graduates and (d) 102 English as a second language students.

Partially as a reflection of their mission, Hope pursues an admissions process with low selectivity; the median SAT for first-time freshmen is 1362 falls in the 35th percentile of all SAT takers. The student body is moderately diverse; the ethnicity/race composition of the traditional undergraduate is: 22.6% Hispanic, 4.3% Black, 3.7% Asian, 39.5% White, with 16.1% selecting two or more races.

HIU has 38 full-time faculty, 28 of whom have terminal degrees, and 151 part-time faculty (88.3 FTE faculty combined).

For fiscal year 2012-13, Hope's realized revenue of \$20.5 million and expenses of \$19.9 million. The value of the endowment is nearly \$6 million (May 31, 2013). Annual tuition for a traditional undergraduate student is \$25,550, while online undergraduate students pay \$300-\$480 per unit and graduate students pay \$415-\$645 per unit depending on the program (AY 2013-2014).

B. The Institution’s Special Visit Report: Quality of the Report and Supporting Evidence

The president, the vice president for academic affairs, and the vice president for business and finance were the primary authors of the Special Visit Report. The information in the report is the product of widespread campus involvement including the president’s cabinet, the dean’s council, faculty, staff and members of the board of trustees.

The Special Visit Report is well-written and effectively used and analyzed evidence related to each of the five major issues identified by the Commission: (a) finances and enrollment, (b) retention and graduation rates, (c) board governance, (d) strategic planning and (e) support and planning for academic programs. Because of the clarity and thoroughness of the self-study, the team was able to write a thoughtful and useful pre-visit narrative. For each of the five major issues, HIU analyzed the impact of changes it had made and then developed a follow-up plan based on their analysis of that evidence. The team interprets the high quality of this analysis as evidence that HIU’s leadership is taking the concerns raised by the Commission seriously.

The team reviewed the Special Visit Report, the WASC Required Data Exhibits (RQ1-6), and documents related to each issue identified by the Commission (Finances and Enrollment: FS1-12; Retention and Graduation Rates: RG1-14; Board Governance: BG1-9; Strategic Planning SP1-6; and Support and Planning for Academic Programs: AS1-6).

The team reviewed off-campus or distance education programs only to the extent that they relate to the financial issues facing HIU. The team did not conduct a compliance audit. The team did review the special email account.

SECTION II. EVALUATION OF ISSUES UNDER THE STANDARDS

A. Financial and Enrollment Stability

The July 3, 2012 Commission Action Letter noted that: “Issues of financial viability and sustainability have been paramount in Commission interactions with HIU for many years.

The Commission now finds that the University is not in compliance with elements of Standard 3, especially Criterion for Review (CFR) 3.5.” The letter went on to say that, “Given Hope’s dependence on tuition, it is essential to increase and stabilize both enrollment and retention at a level that promotes financial viability into the future. The Commission expects that by the time of the next WASC review, HIU will be able to demonstrate that it is financially sustainable.”

The team reviewed many documents related to this issue including the: Audited Financial Statements for 2011-2012 (FS1), Audited Financial Statements for 2012-2013 (FS2), Projected Budgets (FS3), Program Cost Benefit Analysis for Fiscal Year 2012-2013 (FS4), Student Accounts Collection Policy (FS5), Financial Aid Disbursement Policy (FS6), Sample Monthly Financial Statement and Analysis (FS7), Enrollment Trends Report (FS8), Almost Graduated Project (FS9), Student Financial Services Early Registration (FS10), First Time Full Time Freshmen Retention (FS11), Ignite Hope Press Release (FS12),Auditor Management Letter for 2011-2012, Auditor Management Letter for 2012-2013.

The team met with the president, vice president for business & finance, vice president for enrollment management, vice president for institutional advancement, director of church

relations & development, associate director of advancement, Board of Trustees finance chair, senior audit partner, Capin Crouse, members of the Board of Trustees.

Financial Stability. During this visit the team met with key members of the HIU business office including the vice president of finance. Evidence provided and discussions undertaken focused on current and future prospects for financial sustainability. At the time of the WASC special visit in 2012, the financial position of the University was beginning to change for the better. In fact, the team found that the positive trends noted in 2012 continue and that HIU has developed processes, practices and protocols to attempt to ensure a sustainable future for the University. It should be noted that though HIU is in a much better financial position at this time (some would suggest the best position in its history), as a small private University, it will need to diligently and consistently “keep its eye on the financial ball.”

Many positive indicators of financial performance have been noted in the HIU visit team report and in discussions with HIU personnel during the visit. For example, Department of Education scores for the Financial Responsibility Index have increased to a “safe” level such that a letter of credit is no longer required by the Department of Education. Additionally, FY 2013-2014 will be third consecutive year of generating operating surpluses, after accounting for depreciation, after paying annual debt service and after making the planned repayment to the endowment fund. (CFR 3.4)

With respect to budgets and budgeting practices, budgets for FY 2014-2015 and FY 2015-2016 include anticipated surpluses and the budgeting process itself appears to be collaborative among the various stakeholders of the University, primarily among cabinet

members. One item that has had a positive impact on financial performance is that HIU was recently able to refinance its long term debt at a favorable fixed rate for a 10 year period with a 25 year amortization schedule. (CFR 3.4, 3.9)

Decision-making appears to be aided by reliable, accurate and timely data provided by the business office. The program cost benefit analysis tool has been a good assist in evaluating current programs and in vetting potential new programs.

Improved financial performance and financial health has allowed the University to make strategic salary increases for faculty and for key staff personnel. Additionally, increased costs for health care coverage have been borne by the University in recent years and have not been passed along to benefited employees. Retirement contributions by HIU for its employees remain suspended after they were put on hold several years ago. Reinstating these contributions is a contingency item for the University should fall enrollments allow for additional operational surplus.

The executive leadership team provides professional, capable oversight of the University. The president's cabinet members are well informed with respect to the financial status of the University and understand the necessity to generate annual operating surpluses. Their understanding of the University's financial position is aided by excellent leadership in the business area of the organization. Financial data is comprehensive and thorough and measures the key indicators of success. Of note, is that a routine process for reporting monthly revenue and expense to budget managers has been established.

The use of key performance indicators and a University dashboard metric helps the organization focus on the critical financial elements to ensure success and has helped to create

a culture of accountability among University leaders that monitors cash flow, key financial ratios, program profitability and budget compliance. Budget managers are expected to provide explanations of any expense overages and to make adjustments as necessary.

The most recent audit of HIU has been described by some within the University as “the best audit in years”, referring to a lack of significant findings by the audit team. The lead auditor for HIU at Capin Crouse was contacted as part of this visit and offered several notes of improvement for the University. She observed that the business office has gotten their accounts receivable under control, that the audit team has been provided with “great cooperation” by HIU staff, that endowment repayment plans are seen as “realistic” and that the HIU finance team is a competent group.

Additional indicators of financial improvement over the last few years include a rise in net tuition per student each of the last 2 years, an increase in total net assets each of the last 2 years and an improvement in retention and graduation rates over the past few years.

With respect to the board of trustees, they seem well engaged in the oversight of HIU and appear to be keenly aware of past financial realities and the current financial position. Additionally, and appropriately, the board recently established an audit committee of the board of trustees. (CFR 3.9)

An opportunity that HIU may want to consider is becoming accredited by the Evangelical Council for Financial Accountability (ECFA). ECFA is an accreditation organization dedicated to helping Christian ministries earn the public’s trust through adherence to its developed standards of responsible stewardship which focus on board

governance, financial transparency, integrity in fundraising, and proper use of charity resources.

Another opportunity exists for the HIU board to continue to establish the role of the audit committee of the board of trustees and make it a routine part of the oversight of HIU.

The team commends HIU for its improved financial performance and financial position, for its development and use of key performance indicators, and for its budgeting process which now requires operational surpluses each year. It is the view of the team that HIU has plans, processes and personnel in place that demonstrates that is in a good place to be financially sustainable into the future. (CFRs 3.1, 3.4, 4.1, 4.3)

Enrollment Stability. A key to the success of any small private, tuition driven institution is its ability to enroll students and to retain them. It is clear that the HIU executive team understands that recruiting students and then being able to keep them is a vital element for their success.

During this visit the team met with key members of the HIU enrollment management team including the vice president of enrollment management. Evidence provided and discussions undertaken focused on enrollment markets, recruitment strategy and tactics, retention initiatives and long-term enrollment stability for the University. Organizational changes and personnel additions over the last 4 years have seemed to stabilize the enrollment management team. Of note, among other changes, the vice president for enrollment management position was created as an executive level position in 2010 and the director of Christian church admissions position was established in 2012.

Enrollments have risen from fall 2009 through fall 2012 and were essentially flat in the fall of 2013. The fall traditional undergraduate enrollment was actually a record number for HIU. The HIU team seems to have an understanding that enrollments will not always rise every year and that there are many dynamics at play regarding student recruitment in their various markets. This is evidenced by the fact that future budgets are based on somewhat conservative enrollment figures with some program markets actually budgeted for reduced enrollments. (CFR 3.4)

Significant improvements in the enrollment management area over the last several years include the acquisition and successful implementation of a customer relationship management system as well as the formation and empowerment of the Student Success Team.

Improvements in the enrollment area can be seen in evidence that shows that the traditional undergraduate discount rate has dropped over the last few years and retention and graduation rates have risen in the same period. (CFRs 2.13, 3.4, 4.1-4.3)

Overall, the visit team notes that HIU's enrollment management team has developed and implemented a number of initiatives that have increased and stabilized enrollment, and improved retention and graduation rates. Leadership in the enrollment management area are professionals in their field and appear to understand the constantly changing dynamics of recruiting for several program markets at a small, private University. (CFR 3.4)

The team is concerned about the potential impact of the move from a 5-week format model to an 8-week format model in the online programs. There did not seem to be clear evidence of the need for this change nor a thorough evaluation of the potential impact that the change may have on enrollment in these programs.

Fundraising. The team met with key members of the HIU advancement team including the vice president for institutional advancement, the director of church relations and development and the associate director of advancement. Recent organizational realignments and personnel additions have seemed to bolster the advancement team. There is a focus on enhancing brand awareness, fundraising and aligning with churches, donors and organizations that support or can support HIU. Two full time positions were recently created, one to oversee the annual fund and the other to manage church relations. (CFR 3.1)

Evidence provided and discussions undertaken focused on current fundraising initiatives and future fundraising plans including the just launched 5-year, \$15 million comprehensive capital campaign. Of note is the relatively consistent level of annual fund support at approximately \$1.3 million, which is impressive for a school the size of HIU. Efforts are currently underway to roll out a new and improved web site in the next few months.

The capital campaign was publicly kicked off in September 2013 with approximately \$4.5 million raised to date. The firm of Grubbs Boatman was hired to provide consultant expertise for the campaign. Both Mr. Grubbs and Mr. Boatman have ties to HIU and its constituency of churches and universities. The engagement with this firm will be coming to an appropriate end within a few weeks. Table 1 shows how the Campaign funds will be used for infrastructure, scholarships and program development:

Table 1: Capital Campaign
(millions of dollars)

Preservation, Enhancement and Infrastructure	\$5.0
Renovate historic Fullerton campus buildings	
Upgrade classroom technology	
Upgrade the historic HIU theater	
Scholarships	\$6.5
Annual institutional aid	
Program Development and Endowment Growth	\$3.5
Enhancing existing academic majors	
Adding new programs identified in the academic master plan	
Adding funds to the HIU endowment	
Total	\$15.0

While commitment to HIU and to the capital campaign by the board of trustees appears high, fundraising success could be enhanced if every member of the board were a donor of record each year. Being able to affirmatively proclaim that 100% of the board members are HIU donors would strengthen the hand of the advancement team as they approach donors, churches, foundations, etc. (CFR 3.4)

The team did not find evidence of a well-formed investment committee or a strategy for managing endowment funds. The team recommends that the HIU board of trustees form an investment committee to oversee all funds invested by and on behalf of the University and work to develop a committee of qualified board members and non-board members, if so desired, to aid in managing the invested assets of HIU. (CFR 3.4, 3.9)

The team commends HIU for the development of a strong team for Institutional Advancement. The success of the development team is critical for a highly tuition funded university.

B. Retention and Graduation Rates

The team reviewed evidence and conducted interviews to determine whether the initiatives that have been launched to increase Hope's low retention and graduation rates were beginning to bear fruit.

The team reviewed many documents including: LDR1103 Analysis (RG1), Graduation Plan (RG2), Almost Graduated Project (RG3), Athletic Transfer Worksheet (RG4), Class Size Analysis Report (RG5), Tutoring Reports (RG6), Tutoring Schedules (RG7), Retention and Graduation Reports (RG8), Cohort Comparison Group Analysis (RG9), OUG Study Expectations (RG10), OUG Retention Rates (RG11), OUG Graduation Rates (RG12), Priority Survey for Online Learners (RG13), and Retention and Graduation Rates for Graduate Programs (RG14).

The team met with the president's cabinet, the vice president for academic affairs, the admissions and academic coaches staff, deans council, institutional research, the vice president for student affairs and student affairs staff, and held open sessions with faculty and staff.

For each of its three degree-seeking student populations, Hope began several new initiatives to address retention and graduation rates concerns. The team reviewed the success of each of these initiatives, Hope's analysis of these initiatives and plans for improvement.

Traditional Undergraduate Students (TUG). HIU has taken several measures to improve the retention and graduation rates for their traditional undergraduate students. Because several initiatives were implemented at the same time, it is difficult to assess the contribution of specific initiatives. One initiative for TUG students entering with weak or

inconsistent academic backgrounds placed them in a special 3-unit class called Foundations: Strategies for Success, that emphasized study skills and connected students to campus academic resources. At the same time these students, as well as the others, were offered improved and expanded tutoring services. HIU found that the special class and enhanced tutoring services (together) had a positive effect on academic performance both in terms of average GPA and retention rates of these students. This conclusion was based on a pilot study in which the spring to fall retention rate for those enrolled in the special leadership class was 9 out of 10 but only 7 out of 11 for those not enrolled in the class; similarly the current cumulative GPA is 2.72 for those were enrolled compared to only 2.6 for those not enrolled. (CFRs 2.10, 2.12, 2.13)

Another initiative, and one for which success can clearly and solely be attributed, is the Almost Graduated Project. HIU found that some students were participating in their graduation ceremony, with one or two courses remaining to complete their degree, but never actually successfully finishing those courses and so did not actually graduate. New procedures were initiated to limit such behavior and as a result, the TUG graduation rate has increased by three percent. (CFRs 2.10, 2.12, 2.13)

Other noteworthy initiatives include: (a) a graduation plan for student athletes, who often find that their athletic scholarship eligibility runs out before they can complete their degree; and (b) de-emphasizing the opportunity to take classes at California State University Fullerton which in the past has resulted in a permanent loss of a significant number of Hope students. (CFRs 2.10, 2.12, 2.13)

These and other initiatives have resulted in an increase in the first-time full-time retention rate of from 67% to 74%. (CFRs 2.10, 2.12, 2.13, 4.1-4.5)

HIU's initiatives also have resulted in an increase in its overall 6-year graduation rate for first-time full-time freshmen from 31% to 44%. The goal is to reach 50%. This is an appropriate target, given its (new) benchmarks. The previous WASC special visit team encouraged HIU to develop a new set of benchmark schools, including comparable WASC accredited schools, in an effort to raise its expectations for graduation rate performance. HIU now does have a new set of seven benchmark schools, all WASC accredited, for which a 50% target is appropriate. (CFRs 2.10, 2.12, 2.13, 4.1-4.5)

Online Undergraduate Students (OUG). HIU has experienced success in improving the retention rates of its online undergraduate students, witnessing an increase in their first-to-second year retention rates from 58% to 71%. This is attributable to the effective implementation of a coaching and advising model in which a staff member is assigned to a student, cradle to grave, that is from the student's first initial contact with HIU through graduation. Interviews with the coaches revealed a dedicated and engaged staff, trained in the use of customer relationship software and the many different dimensions of HIU's procedures and protocols, who are committed to the success of their students. (CFRs 2.10, 2.12, 2.13)

Graduate Students (GRAD). Hope has graduate programs in the College of Psychology and Counseling, the College of Business and Management, the College of Ministry and Biblical Studies, and the College of Education. For the 2009-10 enrolled students, withdrawal rates varied from 30% (Psychology) to 68% (Education). Graduate students, most of who are online learners, benefit from the same new initiatives as undergraduates, including coaching,

the use of a customer relationship management system, changes in organizational structure, and additional full-time faculty. (CFRs 2.10, 2.12, 2.13)

At this time it is not clear how much of an effect the new initiatives have had for students in the graduate programs. Analysis is difficult for several reasons including: (a) declining enrollments in some programs (Business fell from 48 enrolled students in 2010-11 to 24 enrolled students in 2012-13; (b) small numbers in some programs (Education enrolled 31 students in 2011-12); and (c) students in some programs (Ministry and Biblical Studies and Psychology and Counseling) take longer to complete than in others.

In summary, the team recommends that Hope continue monitoring the effectiveness of its retention and graduation initiatives in each of its programs and to explore new initiatives. (CFRs 2.10, 2.12, 2.13, 4.1-4.5)

C. Governing Board

The Commission Action Letter of July 3, 2012 suggested that one of the most critical issues raised by the visiting team that conducted the April 1-4, 2012 Special Visit was the failure of the governing board to exercise proper oversight and monitoring to fulfill its fiduciary and policy responsibilities. The 2012 team found that, in addition to failure to exercise proper oversight of fiduciary and policy matters, the board had also not exercised proper oversight of institutional integrity, policies and ongoing operations. These observations led the 2012 team to conclude that Hope International University was not in compliance with Standard 1 and 3, especially CFRs 1.3, 3.8 and 3.9. The team went on to suggest, as reflected in the Commission Action Letter, that HIU will need to strengthen the

governing board membership by ensuring that it has the range of expertise needed and that resources be allocated to ensure appropriate ongoing board development activities.

The HIU bylaws call for a governing board of not less than seven or more than thirty members with the stipulation that at least three-fourths of the members be affiliated with the Christian Churches and Churches of Christ fellowship. Currently the board consists of seventeen members. Four of the members are senior pastors from the appropriately related churches. The remaining thirteen members include an attorney, a government consultant/research analyst, a retiree from civil service, two church executives, one homemaker, and seven who are either currently employed or retired as presidents or vice presidents of midsize to large corporations. Geographically the board members are from California, Arizona, Colorado and Nevada and that 94% of the board members are White/Non Hispanic. Since the 2012 visit, three board members have rotated off and four new members have been added. The four new members bring a breadth of experience. The new appointees include a former president of Lockheed Martin Aircraft, Argentina, a major California real estate developer and entrepreneur, and a young HIU graduate who serves as the executive administrator of a 10,000 member church. (CFRs 1.3, 1.5, 1.6, 3.9, 4.6)

The current committee structure of the governing board consists of seven committees including the executive committee, academic committee, advancement committee, finance committee, student life committee, mission/governance/strategic planning committee, and audit committee. The finance and executive committees meet jointly on a quarterly calendar. The full board and the other committees normally meet semi-annually. The president and vice

presidents of the university meet with their respective committees and provide agenda and resource materials to the committee members prior to their meetings. (CFRs 1.6, 3.8)

In a meeting with trustees, including three trustee committee chairs and the chair of the governing board, the team found a group who were well informed about and appropriately engaged in the work of the university. They were familiar with the issues raised by the previous team and were acquainted with the findings reviewed in the 2012 Commission Action Letter. They addressed the major issues and were conversant about the changes that had been implemented in response to the concerns expressed by the Commission. They explained that at each meeting of the board a period is now devoted to board development. At their most recent meeting in March of 2014 the board orientation topic was assessment and educational effectiveness as it relates to the accreditation process. The assessment orientation was presented by the chair of the HIU Assessment Committee. In addition to the periodic orientation sessions, HIU has also joined the Association of Governing Boards and several of the board members volunteered that they found the publications from AGB, including the bi-monthly journal Trusteeship, quite useful. The president attends the annual AGB Conference and provides the trustees with a summary of the issues addressed. Board members are now also supplied with a regularly generated dashboard of information containing key indicators of the university's financial and enrollment position. (CFRs 1.6, 3.5, 3.8, 4.6)

The Trustees conduct an annual review of the president's performance and the trustee governance committee conducts an annual board evaluation, the results of which are discussed by the entire board. Strategies are developed to address any weaknesses or problem areas that are identified. In addition, the trustees worked with the senior administration to create the

HIU Board of Trustees Handbook and Policy Manual which includes a complete inventory of all Board generated policies. A SharePoint portal has been established for the trustees and Board materials are updated regularly and are added to the inventory of information included in the portal. One section of the SharePoint site includes board development resources such as articles on a broad range of current higher education topics. (CFRs 1.3, 3.7, 4.6)

Future projects of the board include a review of the university by-laws and an expansion of the board of trustees to twenty members. In expanding the board, the trustee governance committee is seeking to increase both the diversity and breadth of expertise of the board. (CFRs 1.5, 4.6)

D. Strategic Planning

The team examined the issue of whether or not Hope had enhanced its strategic planning with critical data and evidence. The July 3, 2012 Commission Action Letter noted the following: “The Commission finds that HIU is not in compliance with elements of Standard 4, especially CFRs 4.1-4.5. HIU will need to demonstrate that it has a more fully developed institutional research capacity that provides data to evaluate programs and initiatives, inform decision making, and create realistic and achievable plans.”

The team reviewed several documents related to this issue including: Strategic Planning Process (SP1), Strategic Plan 2012-2017 (SP2), Strategic Plan Metrics (SP3), Decision Assessment Form (SP4), University Fact Book (SP5), and the Strategic Plan Progress Report (SP6).

The team interviewed the president, the vice president for academic affairs, the associate vice president for educational effectiveness, the dean of the College of Business and Management, and six members of the board of trustees.

The team noted an improved and improving culture of creating, evaluating and using data as the depth, quality and breadth of data reporting has been improving at HIU. Specifically, decision-making appears to have been aided by reliable, accurate and timely information provided by the business office and institutional research. For example, a new Program Cost Benefit Analysis tool has been useful when evaluating both current programs and in vetting potential new programs (CFR 3.7, 4.1, 4.3, 4.5).

Organizationally, the associate vice president for educational effectiveness is responsible for institutional research and reports to the vice president for academic affairs. This person serves in a full time role and is regularly assisted by faculty and staff who participate in collecting data, generating reports and compiling survey results. It is noted that the associate vice president for educational effectiveness has received extensive professional development over the past 2 years.

The use of key performance indicators and dashboards has also helped the organization to create a culture of accountability among university leaders and trustees. This effort has created information that has been added to the HIU Fact Book by the office of institutional research. In the enrollment area the acquisition and implementation of a new customer relationship system has aided in the collection and analysis of extensive enrollment data related to inquiries, applications, deposits, etc. (CFR 4.1, 4.2).

Involvement of many constituent groups across the organization in data collection, data review and data analysis was evident during the visit. Led primarily by the institutional research team, but involving the president, the cabinet, enrollment personnel, the business office, faculty, the dean’s council, the registrar’s office, etc., a culture of data-driven decision making seems to be taking hold on the HIU campus.

HIU has created and is using a better set of benchmark data than previously; they are currently using a group of similarly sized WASC accredited institutions with similar characteristics to Hope, as opposed to their old set of benchmark schools that included some very small Christian schools that are not accredited by WASC (CFR 4.1).

HIU has created a strategic plan that looks out to 2017. The plan identifies strategic priorities, strategic initiatives and identifies a set of metrics that have been assigned to appropriate personnel within the organization. Annual reporting against strategic plan progress is an indication that the plan will not simply be “put on a shelf.” Linkage for strategic priorities and initiatives to the budget process at a small, tuition driven institution like HIU is always difficult, but some manner of linking these priorities and initiatives to future budgets would enhance and strengthen the strategic plan (CFR 3.6, 3.7).

It was noted that the strategic decision made several years ago to stay on the Fullerton campus and claim the campus and its unique architecture “as our own” was a significant and positive development. The rebranding of the institution at about the same time was an important strategic decision as well. Additionally, a decision was made in the fall of 2013 to relocate some of the University operations that had been housed in Orange to a beautiful facility in Anaheim (CFR 3.4, 3.5, 3.7).

It is the view of the visit team that HIU has demonstrated that it has developed an institutional research capacity that provides data to evaluate programs and initiatives, inform decision-making, and create realistic and achievable plans.

E. Academic Programs

The team investigated the issues raised in the Commission Action Letter concerning the models, plans and processes used to manage the financial viability of the Hope's program and assure adequate resources to address student retention as well as academic quality and rigor. In addition, the institution was directed to assess its staffing model to assure both adequate full-time faculty levels and the appropriate integration of adjunct faculty into the life of the university.

The team reviewed several documents requested by the Commission. These included the new cost/benefit worksheets for existing and new programs (FS4??) and a related description of the changes that have been made as a result of developing and implementing that model. In addition, the description of recent changes in the composition and role of the faculty, including new hires, plans for additions to the full-time faculty, and recent changes in related policies and the faculty orientation program were reviewed.

The team reviewed the Program Cost Benefit Analysis for 2011-12 (AS1), the Program Cost Benefit Analysis for 2012-13 (AS2), the New Program Cost Benefit Analysis worksheet (AS3), the DOE Score 2011-12 (AS4), the Adjunct Instructor Comparison Summative Course Assessment (AS5), a report on the scholarly activities of the full-time faculty (AS6), the

Strategic Plan 2012-2017 (SP2), the Key Performance Indicators for spring 2011-2012, and the Strategic Plan for Educational Effectiveness.

While on the Hope campus the team met with the university president, the president's cabinet, members of the Board of Trustees, the vice president for academic affairs, the assembled admissions and academic coaches for all on-campus and online programs, the Student Success Team, the Office of Institutional Research, the student affairs team, and held separate open meetings with students, full-time and adjunct faculty.

With regard to managing the financial viability of programs, the team found evidence of an established protocol titled the Program Cost Benefit Analysis that has been used in the budgeting process since the 2011-2012 academic year. The president's cabinet and budget committee review the reports that result from these analyses, and while no dramatic adjustments to the portfolio have resulted from this process an adjustment in tuition rate will be implemented for a program that is central to the mission of the institution but not producing adequate revenue to cover expenses (CFR 1.8, 3.8).

The institution reports that a similar protocol has been established to manage new program development. This process, titled the New Program Cost Benefit Analysis is intended to investigate the costs and return on investment of a proposed new program, taking into consideration both direct and indirect costs balanced against expected revenue. New undergraduate concentrations in accounting and marketing, and the online undergraduate teacher preparation program, are products of this process and are now in the implementation phase (CFR 4.2, 4.3, 4.4).

The team found significant evidence that the institution is actively managing the fiscal implications of both existing and proposed new academic programs, and that these processes have been integrated into the budgeting and review functions of the institution. While they will evolve over time, the processes appear to be well-ingrained in the functioning of the university.

The team noted the impact of the Student Success Team on retention efforts across the campus. Created in 2011, this group is chaired by the vice president for enrollment management and includes representatives from the faculty, admissions, academic affairs, the registrar's office, student financial services, student affairs, and institutional research. Using a data-based approach to understanding the student experience, this team focuses on examining the factors that detract from student satisfaction. The team meets twice per month and is systematically hosting focus groups from the various functions across campus to identify opportunities to impact first retention and, ultimately, graduation rates. Continuing scholarship support for student athletes, class size reductions in selected courses, a change in online courses from five to eight weeks, and expansion of the availability of tutoring services are examples of outcomes from this effort (CFR 4.5, 4.8).

The team observed a growing trend toward allocating resources to the assurance of rigor and quality in all academic programs. Since the last visit a review of staffing resulted in the adjustment of the number of courses that are being taught by full-time faculty. In addition, more full-time faculty have been identified as "lead professors" for specified on-ground and online courses. "Lead professors" are charged with responsibility for the curriculum, quality and delivery of the courses assigned to them. While as a result of this effort student learning

outcomes have shown improvement, the team has a concern that this may result in a faculty that is “spread too thinly.” Representatives of the institution expressed a desire to revisit resource allocation in this area, as well as in the admissions area where coaches are central to student retention and graduation, when that opportunity becomes available (CFR 2.8, 3.1, 3.2, 3.10).

All new faculty members teaching TUG classes are required to engage in the formal orientation program provided by a full time faculty member. The orientation includes syllabus requirements, classroom technology, university systems for attendance and assessment, university library and academic support services, tutoring services and other student success support available to students, university academic policies, and the set-up and maintenance of electronic grade books. To further support academic excellence an early student evaluation is collected in the third, fourth, or fifth week of instruction to assure the class is meeting the quality and rigor standards of the institution. (CFR 3.1, 3.2, 3.3, 3.10, 4.1, 4.4).

The team observed multiple efforts aimed at improving retention as well as academic quality and rigor, and was thus satisfied that the institution is making this a priority and will continue to provide the resources needed for success. Plans are in place to continue to support these efforts going forward.

Regarding staffing in the academics area, since the end of the 2011-2012 academic year the university has hired eight new full time faculty (beyond filling vacancies), an increase of 25.8%. Over the last two years the university has given renewed scrutiny to faculty load and to the upper limits of faculty teaching load and overload teaching for both full time and adjunct faculty. To support the faculty, the institution provides tuition assistance to faculty,

staff, and dependents. Several faculty members are using this benefit to upgrade their credentials as part of their individual professional development plan (CFR 3.1, 3.2, 3.3, 3.7, 4.6).

While it was clear to the team the HIU places highest priority on teaching, faculty are encouraged to pursue service and scholarship, including the publication of research and the delivery of presentations. Limited, but not insignificant, financial support is provided toward this end. Faculty improvement funds are provided for the purchase of books and professional memberships, and for the payment of conference fees for scholarly association meetings, and in the fall of 2013 a major endowment gift to the university was designated for faculty enhancement and development.

The 2012 visiting team expressed concern that the institution could face challenges in a competitive faculty marketplace. The institution, in response to this concern, has created benchmarks to assess faculty pay levels and has adjusted pay across ranks in recent years. The result of this effort is that the institution feels confident that they are competitive and are securing the services of experienced, qualified professionals. In addition, the imposition of teaching load limitations has decreased teaching loads in some cases, providing time for instructors to prepare for class, remain current in their academic discipline, and focus on incorporating recent scholarship in the classes they teach (CFR 3.2, 3.10, 4.4).

In an open meeting with approximately 20 adjunct members of the faculty the group related numerous examples of how they are supported by full-time faculty and members of the administration in upholding the rigor of the courses that they teach. In addition, this group validated the assertion that adjuncts are not only invited to participate in departmental and

college functions (both official and social), but that they are also provided with the information should they miss such an event. When they do participate they are appropriately compensated for their time. All in attendance reported feeling that they are respected, valued members of the academic community. In an open meeting with students the group related high levels of satisfaction with access to, and support from, adjunct and full-time faculty members. With a relatively small full-time and a large adjunct faculty contingent, it is evident that HIU is taking pains to assure continuity and a sense of community across the institution. All interviews surfaced commitment to the students, and not just to their success but also to their development as contributing members of their communities.

As a result, the team is satisfied that progress has been made in addressing staffing levels in the academic area, as well as in integrating the adjunct faculty into the institution on both the academic and social levels.

SECTION III. FINDINGS AND RECOMMENDATIONS

Commendations

1. HIU is commended for its improved financial performance and financial position, for its development and use of key performance indicators, and for its budgeting process which now requires operational surpluses each year.
2. HIU is commended for the creation and continuing support of teams such as the Student Success Team, Academic Coaches, and the University Assessment Committee. Using collaborative, evidence-based approaches these and other teams have positively impacted the learning environments for students, faculty and staff.
3. The board of trustees is commended for its new depth of engagement and its commitment to continuing regularly scheduled board development activities as well for demanding current and in-depth information about all aspects of the university's operations.
4. HIU is commended for the development of a strong team for Institutional Advancement. The success of this team is critical for a highly tuition funded university.
5. The team commends the president of HIU for assembling a strong team to lead it into the future. The team was impressed by the professionalism of the leadership team, including the vice presidents and deans as well as the many support personnel who themselves are HIU alumni.

6. The HIU faculty, both full-time and adjunct, are commended for their dedication to the university and its students, who feel overwhelming gratitude to the faculty for their dedication and service.

Recommendations

1. The team recommends that HIU continue to pursue its goal of a 50% 6-year graduation rate for its traditional undergraduate (TUG) students through the initiatives currently underway and to explore new additional initiatives to achieve this goal. In addition, the team recommends that initiatives related to improving the retention and graduation of online undergraduate (OUG) and graduate (GRAD) students be continued and strengthened. (CFR 2.10, 2.13, 4.1-4.5)
2. The team recommends that the HIU Board of Trustees form an investment committee to oversee all funds invested by and on behalf of the university. (CFR 3.9)
3. The team recommends that the HIU trustees continue their efforts to build the gender balance and diversity of the Board of Trustees. (CFR 3.9)