REPORT OF THE WASC SPECIAL VISIT TEAM

to

United States University

April 25 – 26, 2013

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The team evaluated the institution under the 2008 WASC Standards of Accreditation and prepared this report containing its collective evaluation for consideration and action by the institution and by the Accrediting Commission for Senior Colleges and Universities. 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.
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SECTION I – OVERVIEW AND CONTEXT

A. Description of Institution and Visit

Founded in 1998 as InterAmerican University (IAC), the privately held United States University (USU) is now in its third stage of reconfiguration.

Stage 1 (1998 – 2009): The non-profit IAC, located in Union City, California, primarily addressed underserved needs of its local native and immigrant Hispanic community, with a focus on working adult education that provided degree completion and a path to careers in bilingual education and healthcare. In 1999, WASC granted IAC eligibility to seek candidacy, but WASC did not approve candidacy until 2005 and then put IAC on Warning in 2007. To address its financial instability, IAC applied for a change to for-profit status; in 2009, the Commission approved that status and removed the Warning. In 2009, IAC employed 8 full-time faculty and 42 adjuncts (23 FTE total); enrolled 183 students; offered 4 undergraduate degrees, 2 graduate degrees, and 2 credentials. That year, USU graduated 37 students.

Stage 2 (2009 – 2012): After the Commission granted Initial Accreditation in 2009, IAC became for-profit USU in 2010. Based on significant new financing, a new administration considerably expanded USU’s degree offerings and invested in a new enterprise management system. USU also moved to a new (approximately 30,000 square foot) location in Chula Vista, California, opened a second new (approximately 60,000 square foot) campus in Cypress, California, and initiated distance education offerings. After an approximately two-year long surge, enrollment dropped, and a financial crisis
ensued. In early 2012, USU submitted an interim report to WASC and, in addition, hired an external consultant to analyze operations and develop a turnaround plan.

Stage 3 (2012 – present): In mid-2012, another new administration supported by additional significant new financing began executing the proposed turnaround plan. Since then, there have been modest overall enrollment gains. USU also has put two degree programs on hiatus. In addition, there have been significant changes to the Board of Trustees. Based on USU’s earlier 2012 interim report and a series of complaints (including concerns about finances) that the WASC office received, and in lieu of a previously scheduled progress report that would have been due spring 2013, the Commission scheduled the special visit that is the subject of this team report.

Currently, USU employs 11 full-time faculty and 113 adjuncts (adjunct FTE is approximately 38 and total FTE approximately 49); enrolls 239 students; and offers 6 undergraduate degrees, 6 graduate degrees (one exclusively online), and 2 credentials. In 2012, USU graduated 210 students, but USU expects to graduate significantly fewer this year. At present, USU offers approximately 79% of courses via distance education (with 70% of students exclusively online) and offers <1% of its courses at the Cypress campus. At this time, USU employs 11 administrators and 34 other non-faculty staff.

Even as USU has broadened its outreach and offerings, USU has maintained with little change a mission statement derived from IAC. This mission not only identifies a relatively narrow target market (“underserved groups with a special emphasis on Hispanic and immigrant communities in Southern California”) and career-oriented objective, but also affordability and an educational philosophy dubbed “La Familia,”
which is based on intensive mentoring and a strong sense of community shared by faculty and students.

The directive to the team was to focus on 13 issues that WASC identified in a January 2013 letter to USU. The team grouped these issues into four categories discussed in Section II: academic programs; finance; institutional purposes and integrity; and governing board operations and autonomy. The team also considered a series of anonymous complaints and pending litigation facing USU, and the report addresses those issues where appropriate within Section II. The team did not conduct separate reviews of either the Cypress campus or of distance education offerings, but the team did consider those as aspects of USU’s overall operations and addresses them where appropriate within Section II.

**B. Quality of the Special Visit Report and Supporting Evidence**

USU’s April 2013 special visit report provides a detailed account of its complicated institutional, accreditation, and leadership history and then responds one-by-one to issues cited in the January 2013 letter from WASC. USU’s mostly new administrative leadership team and its deans developed the report, with help from an external consultant but limited input from faculty or other stakeholders. The report attempts to explain the causes of USU’s past and present problems, offering optimistic projections for a successful turnaround in a relatively short timeframe. There is little analysis or data to justify some projections. Some information provided was dated, inconsistent, and/or incomplete (including elements of the required institutional summary data form), and the report includes little detail regarding future plans (beyond goals).
C. Description of the Team Review Process

In March 2013, members of WASC met with current investors and leaders of USU to discuss the upcoming special visit; the Staff Liaison briefed the team Chair and Assistant Chair on that conversation. In early April, after reviewing USU’s special visit report, the team requested additional information from USU, most of which USU was able to provide prior to the visit. The team Chair also held separate phone conversations ahead of the visit with USU’s President and its Provost.

The team visit schedule afforded opportunities to meet in individual or small group sessions with members of USU’s administration and with staff and faculty holding critical positions. Members of the team held a phone conversation with USU’s external auditor, as well. The entire team also met separately with the current primary investors; and members of the team split meetings with Trustees into two sessions that separated Trustees classified as independent from those classified as having an investment interest, to ensure freedom of discussion. In addition, the team monitored messages on a secure email account available to all in USU’s community and held separate open meetings with faculty, staff, and students.
SECTION II – ANALYSIS OF THE ISSUES

A. Academic Programs

The Commission letter to USU regarding this special visit raises a number of questions regarding academic programs, as follows.

Growth of new degree programs

USU offers fifteen undergraduate and graduate programs, with almost half of them available through distance education. The team was concerned about the number of degree programs, given USU’s number of students (fewer than ten times the number of programs), its number of full-time faculty (fewer than the number of programs), and its mission statement (narrowly focused). USU seems to have grown very quickly without sufficient planning, resources, and understanding of its target market(s). The result is low-enrolled classes, small degree cohorts, and teaching performed mostly by part-time adjuncts, less than forty percent of whom hold terminal degrees. (CFR 2.1)

The Substantive Change process requires institutions to provide evidence of student interest and market viability for proposed new degree programs to assure adequate enrollments. However, USU’s special visit report does not clarify how these newer programs align with USU’s mission and why USU selected them. During site visit interviews, the team asked USU’s leadership to describe rationales for newer program, but the responses were less strategic and mission-based than opportunistic and optimistically experimental. USU also has yet to identify timelines for projected new
programs that allow for necessary approvals from WASC and also allow sufficient time for marketing and implementation. However, USU’s academic deans told the visiting team that USU’s new leadership affords deans the opportunity to develop more strategic measures for determining target enrollments and markets. The deans have begun to work with marketing, admissions, and student affairs to make such determinations.

Similarly, USU does not yet have a strategic process for determining the viability of existing small enrollment programs and determining whether they should be continued. Current plans for programs with low enrollment are inconsistent and unclear. For example, the special visit report notes that the BA degrees in Spanish and Liberal Studies now are on hiatus. The Provost told the team that these programs probably will not be retained. However, the Dean of Arts and Sciences said that she was adopting a “wait-and-see” approach, because, with the new marketing and admissions leadership in place, there is hope that enrollments in those programs could increase. These differing statements suggest miscommunication and unclear direction within the academic leadership.

The visiting team also considered whether sufficient numbers of faculty are available to staff USU’s programs. The special visit report notes that the institution plans to increase full-time faculty to one full-time core position for each program. The Provost and the Dean of Business told the team that there now are three open FTEs in that school, though those positions will remain unfilled to provide the new dean time to evaluate the needs of the program. The team recognizes the value of a cautious approach to developing the academic programs further. USU also is working on identifying ways to reduce the number of course offerings within programs, where appropriate.
Although USU has met the WASC guideline suggesting that there be at least one full-time faculty member for each graduate degree program offered, the institution has not yet demonstrated that there are sufficient resources in place to deliver adequate academic programs and support services to its students. Questions remain about qualifications of some part-time and full-time faculty, about teaching evaluation practices and response to results, and about the roles of adjunct faculty in curriculum development and assessment. (CFRs 2.2b, 3.2)

To address USU’s needs for curriculum development and assessment, the institution has identified three academic specialists, assigning one faculty member to provide direction for online instructional design and another to review and design a plan for creating a three-year baccalaureate program with integration of general education (yet another new program). In addition, USU has hired a contractor to provide direction for institutional research, program review, and assessment of educational effectiveness. While these may be welcome developments, they are still nascent and small scale; therefore, the team remains concerned both about USU’s current standards of academic quality and about its lack of clarity with respect to timelines for changes in these areas, which may require efforts of significant scope.

In particular, there is specific concern in the area of distance education in light of the accelerated growth of online courses, which are now over three-quarters of all USU offerings. There is inconsistency at USU as to the role of distance education: Certain senior leaders (the President, the Provost, and non-independent board members) told the team that distance education is the major focus for enrollment growth, while other members of the USU community (including some faculty and independent members of
the Board of Trustees) indicated to the team that face-to-face instruction would be primary (even though well over two-thirds of USU students now take courses exclusively online). Furthermore, it is unclear whether USU’s current learning management system, which also serves as its enterprise system, is appropriate for an increased volume of distance learning and also unclear whether it is the best platform for student learning and faculty customization. Information technology staff and instructional design faculty are just beginning to collaborate on learning management system issues, including additional and enhanced training for faculty. (CFR 3.4)

**Enrollment**

For AY 2012, the projected to actual enrollment numbers indicated large discrepancies. Based on data disaggregated by program and degree level, the most viable programs are in the areas of Health Science, Science, and Nursing. However, there are six degree programs with enrollments of ten or fewer students. Of particular concern is that of the seven programs that have been added since 2010, four have enrollments with fewer than ten students. Given the small numbers by program, it is questionable whether this is conducive to a positive learning experience for students.

The limited data that compares enrollment projections to actual enrollments suggests that USU has not adequately addressed market research before implementing new programs. It also is uncertain how the projected numbers were determined. For example, actual 2012 enrollments were less than forty percent of projections (Appendix G-3). Although the two most recent terms indicate increases in enrollment in comparison to the same period in 2012, USU did not provide that data disaggregated by program. In
addition, the absolute numbers are so small and the timeframes so limited that it is difficult to draw conclusions about trends.

The special visit report notes that following each term’s activity, USU will review remaining projections and revise activities accordingly. Enrollment projections for the remainder of 2013 calls for dramatic increases. Following the team’s meeting with the President, he confirmed that those projections were aspirational, that is, not true expectations. Yet, as discussed in Section IIB, it is clear that enrollment numbers significantly below those projections will adversely affect existing budgets and plans that are critical to sustaining operations. USU also does not provide much in the way of insights as to the causes of low enrollments nor of apparent and significant problems with student attrition and low graduation rates. From interviews, the team inferred that weaknesses in the advising process and with internal communications contributed to these problems, possibly along with ineffective marketing strategies and the rapid growth of academic program offerings. (CFRs 2.1, 2.2, 3.5)

To assist external stakeholders or reviewers in interpreting data, USU would need to develop metrics to define enrollment and retention measures.

**Marketing**

With the change in administration, the institution has begun revising recruitment and marketing materials. The new President authorized media and marketing activities including outdoor advertisement, radio advertisements, and e-marketing. The new Vice President of Marketing has identified website redesign as an additional priority. A new marketing plan was designed to increase lead flow and brand awareness.
It remains unclear how marketing and advertising efforts connect with strategic planning. It also is unclear how USU measures marketing effectiveness. In addition, the current website and marketing campaigns may be misleading with regard to the Cypress campus, which appears to be used primarily as an administrative site to house technology and support staff. Coupled with the fact that a majority of administrative positions have moved to the Chula Vista campus, there is a question of oversight at the Cypress location, especially given projections for increasing enrollment in several degree programs (Appendix G-1). The institution needs to market this branch campus accurately. (CFRs 1.1, 1.5)

**B. Finance**

Financial stability and long-term viability have been an issue for USU as referenced in the going concern footnote of the 2011 audited financial statements, which acknowledges an accumulated deficit of $6 million as of December 31, 2011. The 2011 audited financial statements reported expenses nearly double amount of revenue. Unaudited numbers for 2012 project expenses four times larger than revenue.

Budgeted monthly cash expenses are approximately $870,000. Monthly facility expenses include two non-cancelable operating leases averaging $150,000 per month. The institution is seeking sub-lessees for the Cypress campus building lease (which terminates in 2016). (CFR 3.5)

A 2013 operating budget approved by the Board projects operating losses for the first six months and operating excesses for the last six months, culminating in a twelve-month net loss of approximately 1% on revenues of $10.6 million.
The 2013 budget is very aspirational and is based on achieving an increasing level of enrollment “starts”—beginning with 40 students for the initial spring session and ending with 210 students by the final fall session. The total goal for 2013 is 1,040 students. At the end of the first quarter 2013, USU had achieved starts of 106 students against a budget of 194 and expenses were approximately four times the amount of revenue. Starts for summer sessions are budgeted at 400 students, yet USU administrators told the team that 200 students is a more likely scenario. If USU is able to achieve an enrollment of 700 students for all of 2013 (a shortfall of 340 from its goal), the resultant net loss may be $3.3 million, not counting depreciation and dependent upon numerous variables.

While not ideal, such an outcome for 2013 would represent dramatic progress over the net operating losses of the previous years. The new leadership team has all of the staff focused on achieving these enrollment goals. Reporting systems have been greatly enhanced over those in place as recently as 12 months ago and everyone is receiving monthly updates—including the finance committee of the Board. The question is how long will it take USU to achieve a balanced budget and how soon will it need another infusion from the investors.

During 2012, investors added $10.22 million to their (approximately $20 million) equity in USU. Much of those funds were used to cover 2011 losses, return unauthorized financial aid grants to the U. S. Government, and pay for consultants and attorneys. At December 21, 2012, the unaudited financials show 23% of the investments remain unspent. The institutional report indicates that USU has considered earmarking these funds for enhancing full-time faculty positions, technology enhancements, online support,
program review, and learning outcome assessments. Even under a 700 student enrollment scenario, USU will run through the remaining funds before the end of the calendar year. The investors reported to the team that they are prepared to add to their investments to keep USU solvent.

The 2011 audit contained a “going concern” footnote. One of the questions that the team directed to the external auditor for 2012 is whether or not those audited statements would contain a similar “going concern” footnote. The auditor indicated that if the firm were to receive written documentation from the investors that they were prepared to add additional funding, then the “going concern” footnote would not appear in the audited 2012 statements, which should be ready for distribution in June of 2013. The auditor also confirmed what the team observed regarding the renewed level of expertise and timeliness of financial information and reporting. (CFR 3.5)

C. Institutional Purposes and Integrity

Based on the Commission letter to USU for this special visit, as well as review of USU and WASC materials, the team identified the following significant matters for inquiry and review.

Strategic directions, planning, and alignment with stated mission

Since its founding, USU has had a unique and clear mission and vision (described in Section I). While USU’s formal documents and recent communications with WASC stated that the institution’s mission has not changed, the team’s review of Board minutes, of recruitment and marketing planning documents, of the scope of the academic
programs, and of other materials provided by USU in advance of the visit did not fully align with that mission. Because of this, the team requested additional information from USU on its target markets for recruitment and, during the site visit, asked about that and USU’s mission statement in almost every session. (CFR 1.1)

While almost all parties said that USU still supported the current mission, interpretations of that mission varied considerably. The key terms “underserved,” “immigrant,” and “affordable” and even “in Southern California” and “career-oriented” were all defined somewhat (and sometimes extremely) differently by different members of USU’s community: investors, administrators, Trustees, staff, faculty, and students. It was apparent that some members of the USU community were not aware of new emphases in recruitment and online course delivery. There also was not consensus on tuition policy (which is explicitly relevant to the mission) nor on appropriate metrics for determining that policy.

USU administration informed the team that any change to the mission would come about as a result of formal planning, thorough discussion with all stakeholders, and Board of Trustees approval and action. However, significant changes in interpreting USU’s mission appear to have taken place (or be evolving) without that kind of process and involvement. Although such changes may be reasonable on grounds of financial viability, the range of interpretations of the current mission statement is problematic on grounds of both internal and external transparency and also because it could hinder effective coordination of efforts and assessment of outcomes. A shared mission statement is essential to organizational success; however, USU’s current mission statement does not
seem to clearly represent the current status and direction of USU, at least not as all concerned parties understand them. (CFRs 1.1, 1.7)

With regard to strategic planning, USU’s special visit report noted discussion by its Board of Trustees and leadership group on the need for a new strategic plan. The report went on to say the Board had taken an initial step by consolidating goals identified in the 2010 Master Plan and reviewing those. However, when the team asked USU administrators and staff, no one could provide additional concrete information on USU’s “plan for developing a new strategic plan, business plan, and operating budget, including who will be responsible in each of these areas and anticipated timeline.” While understanding the very short tenure of the new President and all but one of his leadership group, the team remains concerned at a lack of any clear defined objectives other than the need to quickly increase enrollment in order to be financially viable. (CFRs 4.1, 4.2, 4.3)

**New investors**

The new primary investors in USU rely upon a Board of Managers for oversight and representation in critical areas of high-level decision-making related to USU’s governance; corporate organization, structure, and equity; and finances. The team found no indication that this Board of Managers had attempted either to engage outside of its stated role or to negatively impact the independence of the Board of Trustees. However, investors informed the team that this Board of Managers did not meet regularly, met primarily by phone, and did not keep records of its meetings, all of which made its actual operations impossible to confirm and also appeared to the team to be contrary to best practices. These problematic practices of the Board of Managers relate to concerns
addressed in Section IID regarding the strength and accountability of the Board of Trustees, which should share responsibility with the Board of Managers and the primary investors (and with other concerned parties, including faculty) in a way that ensures proper governance. (CFRs 1.3, 3.8, 3.9)

As discussed in Section IIB, the current primary investors assured the team of their intention to invest additional funds in USU in order to ensure solvency; and written commitments to that effect could help to ensure USU’s regaining status as a “going concern.” Looking long-term, while it is clear the these investors hope and expect to receive some monetary return on their investments, they did not identify their timeline for doing so; and the team could not assess the primary investors’ patience for how long it might take for USU just to break even, much less earn back capital and additional income. Specificity in that regard could ensure more appropriate strategic, business, and operational budget planning. (CFRs 3.5, 4.2)

**Policies for student, faculty, and staff grievances and complaints**

USU does have grievance and complaint policies in place, and USU confirmed to the team that these policies are appropriately shared, although some USU administrators also acknowledged that these policies are not user-friendly. USU’s whistleblower policy simply refers to the federal government policy statement and interested parties are referred to the federal complaint hotline. The student and staff grievance policies are fuller, yet neither provides best practices type wording found in many institutions of higher education, and there is no separate policy for faculty.
USU does have a compliance officer and a member of the leadership team assigned to manage human resources, and the current administration seems to be fostering more open communications within the USU community. Still, concerns remain about confidentiality and openness. USU could do more to ensure that individuals with complaints or grievances felt assured of those conditions and of having normative due process rights. (CFR 1.7, 1.8)

**Possible formal relationship with another institution requiring WASC review**

In both the special visit report and conversations on site, USU assured the visiting team that USU is not contemplating a formal relationship with any party that would require WASC review. If this changes, USU confirmed that it would go through the appropriate WASC review procedures. (CFR 1.9)

**Administrative structure to enable operations in compliance with the standards**

The President joined USU in July 2012. Since that time six new vice presidents have been appointed, most recently the Provost & Vice President of Academic Affairs, who joined in January. The sole continuing member of the leadership group is the Chief Information Officer, who has been with USU since just February 2010. USU now has the required Chief Executive Office (its President) and Chief Financial Officer; USU also has invested in needed leadership in academic affairs, enrollment management, marketing, student affairs and regulatory compliance (addressing financial aid, accreditation standards, and so on). (CFR 3.10)
A senior management organization chart clearly sets out the responsibilities of each vice president. However, this chart does not provide formal clarity concerning how the various vice presidents are expected to interact with each other. USU also seems to lack normative institutional policy committees typically found in a shared governance model. There also has not been shared governance with faculty, although the new Provost has taken initial steps towards forming a faculty senate.

Encouragingly, in its meetings with USU personnel, the visiting team noted a high degree of staff and faculty collegiality, including the ability to productively disagree with each other and even with the President. The team heard about multiple ways in which both members of the leadership team and their staffs engage in constructive formally scheduled and informal interactions, with a focus on problem solving, rather than lines of authority. The President also affirmed that USU is an organization that does not operate in silos. Given that the current leadership team inherited an institution in disarray, initial progress in this area is encouraging. (CFRs 1.3, 3.8, 3.10 and 3.11)

D. Governing Board Operations and Autonomy

The Commission letter to USU regarding this special visit raises a number of questions regarding governing board operations and autonomy. The discussion below references USU’s Board of Trustees’ bylaws as well as WASC’s Policy on Independent Governing Boards.

2010 – mid-2012
USU has had a Board of Trustees for several years. However, an investigation of its operations from 2010 through approximately mid-2012 indicates that the Board fell short in several areas related to process and function.

WASC policy suggests a best practice for boards to meet a minimum of four times per year for board committees to meet throughout the year. However, USU’s Board bylaws indicate that meetings should be held “up to four times per year,” thereby setting an apparent ceiling on frequency. USU records document only two meetings in 2010 and three in both 2011 and 2012. It also appears that most Board meetings were relatively short: Although not all available minutes indicate meeting times, those that do show meeting durations of two hours or less. In addition, USU’s Board had no formal committee structure, and, consequently, no formal committee meetings or functions. (CFR 3.9)

USU’s Board also has not kept sufficient records. From limited Board minutes available, it appears that some Trustees who often were absent nevertheless continued on the Board and that the process for moving Trustees on or off the Board was opaque at best. In addition, contrary to a WASC guideline, it appears that USU’s Board did not engage in formal self-review or training. (CFR 3.9)

The status of some Trustees also was unclear, making it uncertain whether all USU Board meetings had sufficient independent Trustees present to establish a quorum. The relationship of the Board of Trustees to the Board of Managers also appears to have been very informal, so it is questionable whether USU employed WASC’s policy regarding related parties as a benchmark with regard to that relationship. In addition, while the Board approved a conflict of interest policy for Trustees in 2010, records do not
confirm that the specified ongoing annual reviews took place, and the specified signed disclosures are not on file. (CFRs 1.6, 3.9)

Critically, USU’s Board's oversight of institutional integrity, policies, and ongoing operations was, at least at times, insufficient given the gravity of some of the challenges facing the institution. For example, references to EEOC complaints and matters of prospective litigation appear to have had inadequate consideration and review by the Board. The prime example is probably in the area of financial aid management, which led to a U.S. Attorney and OIG investigation and, eventually, a criminal conviction. During the period under discussion, USU’s Board appears to have been unaware of the severity of this situation, which was not sufficiently communicated to or discussed by the Board (even approximately a year after USU discharged the individual that was the focus of the investigation). USU’s Board’s engagement in the strategic planning process review with senior leadership also is difficult to assess. (CFR 3.9)

**Mid-2012 to present**

Since mid-2012, USU appears to have begun a new era with regard to its Board. The CEO and Trustees have committed to adhering to WASC standards with regard to governing boards and have taken the first concrete steps toward building the Board with those standards in mind. Meetings with both independent and interested Trustees, as well as with the President, demonstrated to the team that the Board has undergone a significant overhaul. Meetings have been regularized and good minutes kept, committees have been appointed and either have met or now are scheduled to meet, and the first Board development meeting has taken place (with a consultant from the Association of
Governing Boards). In addition, legacy members of the Board (appointed before changes in ownership) are clearly engaged and optimistic about new directions, members have been adequately briefed about pending legal issues, and so on.

There still is room for improvement, particularly with regard to what may be a difference in understanding between independent and interested members concerning USU’s mission and the scope of its new program and recruitment directions. In addition, clarification of what it means to be independent must still occur. All Trustees technically defined as independent should truly be able to function that way, carrying out their fiduciary duties without undue influence from those with a strong financial interest in USU outcomes. Lastly, USU’s Board must clearly develop and exercise a policy and process for hiring, evaluating, and continuing or terminating its presidents.

Both in order to fulfill its mission and to operate in a manner consistent with both its own bylaws and WASC policy, USU’s Board must decisively engage in all appropriate aspects of its duties and do so with a commensurate investment of time and energy. Time and perseverance will demonstrate the depth of the institution’s commitment to good governance.
SECTION III – COMMENDATIONS AND RECOMMENDATIONS

Commendations

The team had the opportunity to observe a number of positive attributes and directions of USU, including

- USU has begun initiating management best practices in several critical ways:
  - Taking the first concrete steps required for having an effective Board of Trustees, with appropriate engagement of leadership in providing reports and other documentation that can allow the Board of Trustees to fulfill its fiduciary responsibilities.
  - Internally reporting key metrics and financials at least monthly.
  - Demonstrating efficiency in recruiting a replacement leadership team that is committed to process improvements and to addressing urgent needs through problem solving.
  - Removing operational silos and, instead, fostering inter-departmental collaboration. For example, leaders of marketing, admissions, and student services now meet weekly and also meet regularly with the provost and deans.
  - Including faculty in governance by facilitating establishment of a faculty senate.
• USU has fostered renewed management energy and a continued dedication to quality experiences and outcomes for students, realizing these by means of devotion to personalized attention and passion for supporting educational goals.

• USU has established a budget designed to push performance improvements that can, in turn, drive USU in the direction of achieving financial viability.

• USU has benefitted from committed investors who continue to support the institution through a period of transition.

Recommendations

The visiting team recognizes the short tenure of USU’s senior management team and the effort underway to revitalize the Board of Trustees. To help provide focus in a setting where the issues to address are many and diverse, there is one single over-arching recommendation:

• That USU put in place a work team charged with collating all key matters needing attention from senior managers and the Board of Trustees and then develop a comprehensive work plan detailing needed deliverables, due dates, and the person(s) responsible. USU needs to share this work plan widely throughout its community. (CFRs 4.1, 4.2)

As part of this work plan, USU will want to be sure to

• Update the existing unique and ambitious USU mission statement, utilizing appropriate stakeholder involvement. This statement specifies a vision and service community that has evolved and continues to evolve as USU re-defines itself in order to ensure financial and programmatic viability. Such a revised
mission statement would unambiguously clarify intentions with regard to service communities, affordability, scope of academic offerings, and modes of delivery and student support (including the La Familia approach). (CFR 1.1)

- Develop a comprehensive, multi-year strategic business plan, based on the revised mission statement, that includes benchmarks and alternative options in all areas.

This plan would include

- Means for engaging all USU stakeholders (CFR 4.1)
- Academic program priorities and associated resource requirements (including qualifications and sufficiency of faculty and staff) (CFR 3.2, 4.2)
- The role and extent of distance learning (CFR 2.1)
- Reasonable expectations for increasing recruitment and enrollment, along with analysis of methods needed to maintain a positive student relations focus and raise retention rates during a period of expansion (CFRs 2.10, 2.13)
- A plan for setting tuition levels to be consistent with these recruitment and enrollment expectations and with USU’s mission, as well as with its financial exigencies (CFR 3.5)
- Cash requirements and funding sources (CFR 3.5)
- Utilization of the Chula Vista and Cypress campuses, addressing all appropriate academic and non-academic revenue generating streams (CFR 3.5)

- Strengthen governance by
- Ensuring that the Board of Trustees takes all necessary steps to fully comply with WASC policy and standards. This includes establishing fully functioning committees of the Board, developing and archiving appropriate documentation, creating and following a formal process for filling vacant seats with individuals who provide needed skills and perspectives, developing evaluation criteria and evaluating the president, and, in general, providing the kind of active and informed leadership typically expected of Trustees, which is especially essential now at USU.

- Regularizing the functions of the Board of Managers.

- Developing and supporting an appropriate faculty governance structure that complies with WASC standards.

  (CFRs 3.9, 3.11, Policy on Independent Governing Boards)

- Review the WASC standards and fully prepare for the planned 2014 comprehensive review, beginning by completing the Compliance Checklist component of that review in the near term. (CFR 1.9)

A timely and constructive response to all of these recommendations would help USU to successfully achieve its significant aspirational goals for financial stability, quality academics, and fulfillment of a focused mission.