

REPORT OF THE WSCUC TEAM

SPECIAL VISIT

To

Humphreys University

February 8 – 10, 2023

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 the Institution, its Accreditation History, as Relevant, and the Visit

Humphreys University was founded as Humphreys College in 1896 when John R. Humphreys, Sr. merged the existing Stockton Business College, Normal School, and Telegraphic Institute, making it the first institution of higher education in the city of Stockton. John R. Humphreys Jr. became president of the institution in 1937, and, in 1947, the institution was renamed Humphreys College. Robert G. Humphreys, Sr. became president in 1980, and Robert G. Humphreys, Jr. assumed the presidency in 2014, marking a continuous leadership of four generations of Humphrey family members. In the fall of 2017, the Board of Trustees authorized the renaming of the college to Humphreys University, reflecting its broader range of educational offerings. At its main campus in Stockton, Humphreys offers associate, baccalaureate, and graduate degrees in areas of business, law, and education. At its off-campus site 25 miles south in Modesto, the University has offered its undergraduate degrees since 1987.

Since 2014, Humphreys has offered a degree completion BS in Business Administration to international students via an MOU with Maxwell College (special visit report attachment 1H) at an education facility, referred to as the Arcadia campus, which is actually located in the City of Industry in Southern California. The MOU specifies that the agreement is to offer a Program of 48 quarter units for a total cost of \$15,000. This off-campus location, offering all the degree completion Program, has not been approved by WSCUC.

Humphreys programs are approved by WSCUC to be offered on-site and/or at a distance. Since 2021, most Humphreys programs have been offered in a blended format, such that students may choose to attend in person with a professor present at a campus or to participate interactively via Zoom. Most students continue to choose to attend classes at a distance via Zoom. Exceptions to the blended modality are the Court Reporting and Master of Arts in Education programs, which are offered only at a distance, and the MBA with a concentration in Information Technology, which is offered mostly at a distance but with a required face-to-face weekend each term at the Stockton campus to meet visa regulations for international students. The California State Bar first accredited the Drivon School of Law, in 1983. Since 1992, the University has been accredited by the Western Association of Schools and Colleges Senior College and University Commission.

University enrollment has fallen from a high of 1,100 in 2012 to a low of 375 in 2021. With a slight enrollment rebound in fall 2022, Humphreys enrolled 407 students, with 163 (40%) in undergraduate programs and 244 (60%) in graduate programs. In winter 2023, enrollment was at 437.

The University offers undergraduate degree programs (B.A. and A.A.) in eight majors, four Masters of Arts (M.A.) programs, and a J.D. degree program through its law school. These are designed to lead to career opportunities principally in the Stockton region. The ethnic diversity of the student body reflects

the diversity of the San Joaquin Valley and surrounding area (55 % students of color, a decrease from 65% during the accreditation visit of December 2021).

The current Mission, Philosophy, and Vision of the University are as follows:

Mission: “We prepare students for meaningful careers and professions through a high-quality educational experience, strongly informed by the liberal arts, and directed to the specific and changing needs of students from diverse ethnic, cultural, economic, and educational backgrounds.”

Philosophy: “Our reason for being is to provide effective instruction and related learning experiences to students. We view ourselves primarily as a teaching institution. Our founder believed that a practical educational program must: meet the educational needs of the individual student and contain elements of general and professional education. We have maintained this simple philosophy throughout our 100+ year service to our Northern California community.”

Vision: “We want to be the community-recognized institution of choice, known for providing quality, student-focused, career-oriented, and affordable higher education that improves the lives of students and develops informed citizens.”

These statements define what makes Humphreys unique as an institution, clearly framing its educational goals as involving a dedication to diversity, to improving the lives of its students, and contributing to the character of the immediate community (CFRs 1.1, 1.4).

B. Description of Team’s Review Process

The team’s process for gathering information in preparation for the Special Visit (SV) included the review of materials submitted by the institution—the institutional SV report and attachments, the 2021 visiting team report, and the resulting Commission Action Letter. During the SV, the team requested additional information including the institution’s marketing plan, historical enrollment and retention, total number of students on visas (disaggregated by graduate and undergraduate) and by programs, the Howell Management Services (HMS) agreement, and a list of members of the institution’s Executive Committee.

The SV team held its conference call on January 11, 2023 to discuss these materials and the issues raised in them; after the team call, a request for additional materials was sent to the institution’s ALO, Provost Jess Bonds. These materials included:

- An updated organization chart with names in addition to positions.
- A separate list of names on the org chart by position.
- President Humphreys's current job description (the one provided appeared to be dated).
- A list of departments that includes the names of the department chairs and full- and part-time faculty and their current and/or regular courses by number and name.
- Maxwell College leadership.
- ABLE lease and any other agreements.
- The number of current ABLE students concurrently enrolled at Humphreys, and the number of ABLE students over the last 5 years who have gone on to Humphreys.

- Board of Trustees bylaws and articles of incorporation.
- All the minutes of Board meetings since the team visit in 2021.
- This year's budget and projections going forward.
- The strategic plan currently under implementation.
- A list of Humphreys family members who are employed by the university currently.

C. Institution's Special Visit Report: Quality and Rigor of the Report and Supporting Evidence

The Special Visit Report was written by the members of the president's Executive Committee with each person responsible for drafting one of the five sections responding to the issues in the Commission's Action Letter. The report was based on the work of a WSCUC Task Force created by the president to examine the recommendations in the Commission Action Letter and the previous team report. The Task Force, composed of faculty members, analyzed the issues and made action recommendations. The Special Visit Report was less analytical and more descriptive than was the Task Force Report.

The Special Visit Report described the many actions Humphreys University has taken over the preceding eight months to address the specific points under the five issues highlighted by the Commission. In focusing on each point, the Report often lost sight of the bigger picture and of strategic considerations.

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

A. Issue: Integrity and Transparency

Following the 2022 Commission Action Letter, Humphreys University immediately convened the WSCUC Task Force, which consists of five faculty members from various university academic departments/programs and are a mix of full-time and adjunct faculty, to review the concerns raised during the last visit and provide recommendations for action responding to the team report and Commission Action Letter. The special visit team commends the university for the seriousness and focus of the taskforce in reviewing and addressing the concerns raised. The WSCUC Task Force developed a report with recommendations, and it is planned that this group will continue to review progress on the concerns and report updates to the University community, including the Board of Directors. Presenting the WSCUC Task Force findings to the Board of Directors was a significant activity given that previously there was little to no contact between the Board and faculty members. Historically, the president had served as the sole contact with the Board.

In response to the concerns related to Humphreys University departing from its historic mission, the WSCUC Task Force clarified that there remains a focused effort to attract nontraditional students and provide career-oriented curriculum. Without exception, the staff leadership explained that there is no deviation from the mission statement that Humphreys is a personalized institution serving students that might not find themselves successful in other academic environments. The "Humphreys Everywhere" concept and strategic plan extend the reach of the university from its emphasis on serving Stockton and its surrounding area to recruitment of international students and online students from other parts of the country.

While there was a consistent message about embracing the mission of providing personalized attention and services for each student, specifically serving nontraditional students, it is unclear if Humphreys has identified and structured efforts to maintain this approach with the "Humphreys Everywhere" model.

The current MOU for its BS in Business Administration degree completion program in partnership with Maxwell College (also referred to as the Arcadia or City of Industry campus), seems to outsource the student recruitment, enrollment process, and student support services. Moreover, the curriculum requirements for the 48-unit program referenced in the MOU with Maxwell do not appear in the Humphreys Catalog or on its website. The programmatic and fiscal relationship with Maxwell College, and the nature of that organization, is unclear. In an interview, the director of the program indicated that he only provided logistical support, not the array of services delineated in the MOU. The level of student support services, if any, that are offered to students enrolled in this unapproved southern California location is unclear (CFR 1.8). The special visit team was able to determine that the students at the City of Industry location have not received any information or access to financial aid support. The president and provost were unclear as to whether the students at the campus were domestic or international or who was arranging for student visas (CFRs 1.7, 2.14, 3.4).

The university has a special relationship with the ABLE charter school, which rents considerable space on campus and was started by the previous president and a current trustee. This charter school's founding was heavily connected with Humphreys administrators and several Board members have been integral in the school's development. The team was told in interviews about a new pathway program with ABLE that will enable students to earn a Bachelor of Arts degree in Liberal Studies concurrently with their high school diploma. To receive the BA degree, the students would need to enroll for one-year post high school graduation. There will be no cost to students for college tuition or books during years 1-4. There are currently 17 students enrolled in this program although there are no details as to how students, starting as high school freshmen, will complete the coursework for both degrees simultaneously. Without the curriculum and other academic details, the team is concerned about the academic integrity of the pathway program.

Another aspect of the WSCUC Task Force work has been its complementary work with the Strategic Planning Committee (SPC). Another issue raised during the 2021 visit was that the revised strategic plan, written largely by the president, was not inclusive of the University community. After receiving the report, the president removed himself as the chair and a member of the SPC. The SPC membership was expanded to include faculty, deans, students/alumni, the director of administrative services, and a board member. Additionally, there are a few SPC members that also serve on the WSCUC Task Force. This instance of overlapping membership on both groups have helped to move forward both efforts on a parallel track.

The SPC has been tasked with reviewing the University mission and to review the work of the two previous SPC groups. The SPC is in the process of conducting internal and external scans and a SWOT analysis, which include reviewing the mission, university philosophy of education, and core values. Also, the SPC has been charged with the specific focus of creating a path forward based on a post-pandemic perspective. While the SPC explained that their proposal has identified these strategies based on their student needs, conservative financial expenditures, and "organic growth" based on a revised strategic plan enrollment goal of 500. Despite working since spring 2022, the SPC plan only provides assignments related to responsibility, accountability, consultation, and informing activities. The SPC process is expected to conclude in December 2023, but the special visit team questioned if there is a sense of urgency focused on the SPC efforts given the limited data and analyses to date. For that reason, the site visit team recommends that Humphreys University expedite the SPC process and incorporate revenue diversification strategies, enrollment goals, and budgetary processes that are directly aligned with data sources, including viability assessments.

In addressing issues of transparency, the hiring of the provost position seems to have made a significant difference in operations. In response to the 2021 visiting team report, the president reviewed the recommendations related to transparency and created a formal job description for the provost position and, in January 2023, a new job description for the president. This new organizational structure was lauded by administration, deans, faculty, and support services.

Another effort that the president incorporated to improve transparency was expanding the Executive Committee to include a broader membership that includes the Academic Senate and faculty representation. The Executive Committee has evolved to become a more engaged and vocal advisory committee to the president as well as a vehicle for communicating the president's messages to the academic units. Based on interviews with the special visit team, this advisory body has become a key contributor for improving communications and supporting more deliberative conversations whereby there is a feeling that discussions contribute to future considerations or policy changes. The Executive Committee expressed a clear understanding of its role and discussed ways of fostering more inclusion by tapping into the adjunct and student perspective either by expanding membership or intentionally identifying strategies, such as the president's town hall meetings.

Additionally, Humphreys University has prioritized the adoption of a new faculty workload policy, shared governance policy and governance matrices, which are described in other sections of this report. In addition, changes have been made to the budget process that increases transparency and input, which has been embraced by the various constituencies. During interviews with the deans and executive committee members, there were references that the budget process had added a level of transparency that has helped with decision making and planning at the departmental and university level. For that reason, the special visit team acknowledges the importance of these policies and procedures in demonstrating the integrity and transparency of the institution's operations.

Overall, the above actions have been implemented to improve transparency to restore operational integrity. As demonstrated in the institutional reports and interviews, significant efforts have been made to include the voices of multiple constituencies, including students, faculty, adjunct faculty, board members, and staff. During interviews with the various groups on campus, the special visit team repeatedly heard that communication has substantially improved. All of these processes and expanded committee memberships have been implemented for a very short time; it will be essential for the university to institutionalize and sustain them.

B. Issue: Enrollment and Fiscal Viability

Although the special visit report submitted by Humphreys University did not address enrollment and fiscal viability in detail, these issues were significant areas of focus for the team during the document review and interview stages of the special visit. The university's special visit report did, however, provide details on actions taken to implement a distributed budgeting process, modify the scope of its agreement with Charter School Management Corporation to expand the hours and responsibilities of the outsourced CFO position, and adopt and implement a program closure policy.

A review of audited financial statements for FY 2020-2021 (most recent available) indicates an operating deficit of \$126,414 when one-time Paycheck Protection Program (PPP) loan forgiveness funds of \$1,225,333 are removed from total revenues. Unrestricted net assets also declined absent the PPP loan forgiveness funds at the end of FY 2020-2021.

A review of five years of audited financial statements indicates a continuing trend of operating deficits and declining net assets although operating deficits declined in size and proportion from FY 2016-2017 (deficit of \$673,107 or 7.9% of total revenues) to FY 2020-2021 (deficit of \$126,414 or 1.8% of total revenues absent PPP loan forgiveness funds). Even with PPP loan forgiveness funds included in unrestricted net assets, unrestricted net assets have declined by \$1,561,452 or 8.9% from \$17,581,996 at the end of FY 2016-2017 to \$16,020,544 at the end of FY 2020-2021. As net assets declined, notes payable (long-term debt) increased by \$4,262,426 or 57.3% from \$7,439,566 at the end of FY 2016-2017 to \$11,701,992 at the end of 2020-2021 (CFR 3.4).

The team does note that composite financial responsibility scores as calculated by the U.S. Department of Education have been consistently around 2.2 (including FY 2020-2021 with PPP loan forgiveness funds removed) and remain above the 1.5 threshold necessary to be deemed financially responsible. This consistent scoring can be attributed to the university maintaining relatively stable and large cash levels (\$8,064,308 on June 30, 2017 and \$7,234,690 on June 30, 2021) and significantly growing its investments in marketable securities (\$1,743,727 on June 30, 2017 and \$4,180,753 on June 30, 2021).

The team also notes that cohort loan default rates for the university remain below national averages (most recent 2019 university rate of 2.1% vs national average of 2.3%). Finally, the team notes that the university has received clean financial statement audits and federal grant funds audits every year examined since FY 2016-2017.

Interviews with members of the board of trustees, key administrators, and independent auditor attributed the increase in notes payable to strategic property purchases and facility improvements. These efforts benefited the university's key tenant, ABLE Charter Schools. Lease income from ABLE Charter Schools, it should be noted, is a significant operating revenue diversifier for the university and contributed \$1,486,026 or 17.9% of total revenues in the fiscal year ended June 30, 2021.

Finally, these interviews and a review of unaudited financial results for FY 2021-2022 indicate positive operating results (change in net assets) of \$54,933 or 0.8% of total revenues. These operating results would have been negative (\$1,201,715) or (17.2%) of total revenues if one-time loan forgiveness/grant funds of \$1,256,648 are removed.

It should be noted that Humphreys incurred a net loss on investments of (\$357,664) during FY 2021-2022. This loss distorted operating results as the university and its auditor use a one-part statement of activities (income statement) that does not separate operating revenues and expenses from non-operating revenues and expenses that include items such as investment gains and losses. If a two-part statement of activities had been used, total financial results (changes in net assets) would show as \$54,933 with a subtotal showing net operating results of \$412,597 inclusive of one-time loan forgiveness/grant funds and nonoperating results of (\$357,664).

A review of operating budget projections for current FY 2022-2023 through future FY 2024-2025 indicate that a continuation of breakeven (inclusive of one-time loan forgiveness/grant funds) or small operating deficits (less than 2.0% of total revenues) are expected through FY 2023-2024 with an operating surplus of \$266,245 or 3.1% of total revenues expected in FY 2024-2025. These projections are based upon growth in total duplicated headcount enrollment from 1,539 budgeted for FY 2022-2023 to 2,012 budgeted for FY 2024-2025, an increase of 473 or 30.7% including an increase of 191 domestic students or 16.8% and an increase of 282 international students or 70.1%.

It should be noted that Humphreys uses duplicated total headcount enrollment for the entire academic year in the budget projections noted above. For example, budgeted total duplicated headcount for FY 2022/2023 of 1,539 is comprised of headcounts of 352 for the summer quarter, 416 for the fall quarter, 388 for the winter quarter, and 383 for the spring quarter.

Increases in projected enrollment reflect five major strategies and related goals contained within the university's 2021 revision to its strategic plan 2019-2024. The first strategy would adapt all "on-ground" programs to blended options with a goal of adding 15 additional new students per year. The second strategy would align current, and develop targeted new, stackable programs with career focused outcomes and industry-recognized certifications with a goal of adding 50 students by 2025. The third strategy would invest in enrollment management and outreach activities that would support the first goal of adding 15 new additional students per year. The fourth strategy would pursue narrow and specific international recruitment into limited main campus-based programs with a goal of adding 75 new international students by 2025. The fifth and final strategy would update the recruiting plan for ABLE Charter School high school students and expand recruiting to other local area charter schools and school districts with a goal of adding 30 new first year students by 2025. The plan did not include any projections of the investments that would be needed to implement these strategies.

Interviews with members of the board of trustees and key administrative staff indicate that these five major strategies were yielding some enrollment growth in the first three quarters of current FY 2022-2023. For example, total headcount enrollment for the fall 2022 quarter totaled 407 and represented an increase of 32 or 8.5% from the fall 2021 quarter total of 375 with most of the increase occurring with international student enrollment in programs with two of the university's contractual partners.

These interviews also exposed some difficulties in obtaining accurate and reliable enrollment data. In addition, there seemed to be misunderstandings about the contractual arrangements with the university's three key partners including Able Charter Schools for enrollment pathways, Maxwell College for international undergraduate students, and Howell Management Services (HMS) for international graduate students. Finally, it was revealed that the 2021 strategic plan revision is itself under review by the newly expanded strategic planning committee that is expected to finish its review and generate recommendations by the end of calendar year 2023.

As noted earlier in this section, the university's special visit report provided details on three major actions taken to implement a distributed budgeting process, modify the scope of its agreement with CSMC to expand the hours and responsibilities of the outsourced CFO position, and adopt and implement a program closure policy. Interviews with various members of the university community indicate that these actions have produced tangible results. These results included a more transparent and participatory budgetary process with the provost, deans, and faculty members more involved in making budgetary decisions. The results also included increased hours for the outsourced CFO position through CSMC that facilitated the distributed budget process and the beginning of an academic program review process initially focused on program costs and the allocation of employee compensation across programs. Finally, results included the application of the program closure policy to review the court reporting program which resulted in the formulation of a two-year viability plan.

Interviews with various members of the campus community did confirm that these three major actions were well received and appreciated. Receiving accurate and timely budgetary reports and being able to participate in budgetary decision-making were noted by the deans and department chairs. Also noted was the expanded role of the outsourced CFO and his improved availability to key constituencies.

In summary, Humphreys University has made progress in addressing issues of enrollment and infrastructure in support of fiscal viability. Progress has included an expanded role for the outsourced CFO position, the development and implementation of a transparent and distributed budgeting process, and the adoption and implementation of a program closure policy along with some preliminary financial analysis of academic programs. The university also experienced enrollment growth during the first three academic quarters of current FY 2022-2023.

Despite declining unrestricted net assets levels due to past operating budget deficits, the university has maintained consistent and significant levels of cash and growing levels of investments in marketable securities. This level of assets should be more than adequate to support the levels of projected operating budget deficits through FY 2023-2024.

The team does, however, have concerns about the university's ability to continue to grow enrollment and assure long-term fiscal viability. First, despite some recent success in growing enrollment primarily through international students recruited by two of its contractual partners, the enrollment projections do not seem to be based on data and may therefore jeopardize the university's ability to attain positive operating results by FY 2024-2025 and to stem the decline in unrestricted net assets. Second, the outsourced CFO position, although expanded in hours and scope, warrants even more time so that he can serve on, and participate in, major governance committees. Third, the outsourced CFO has no other college or university clients and his firm CSMC primarily serves charter schools. Fourth, the independent auditor has been in place for over 20 years, has not rotated audit partners during that time, and does not have any other university-level clients. Fifth, the statement of activities (income statement) in the university's financial statements is presented in a one-part format that does not differentiate between operating and non-operating costs. This lack of differentiation makes it more difficult to determine actual operating costs and could disguise structural operating deficits. Sixth, the university used its borrowing capacity to purchase and develop real estate for the benefits of its major tenant, ABLE Charter Schools. Although rental income from ABLE is a significant revenue diversifier, the university's fiscal fate is tied to the success and viability of ABLE. Seventh, the university's fiscal fate is also tied to the success of its contractual revenue share agreements (approximately 40% of program tuition and fees shared with contractors) with HMS and Maxwell College for the recruitment of international students. Eighth, the program closure policy seems overly focused on the costs associated with programs and does not seem to address other non-financial factors that could impact the viability of an academic program. Also, the policy does not address or assess new programs that are likely to be proposed in the strategic planning update process. Lastly, the university's 2021 strategic plan revision focuses on strategies to grow enrollment and does not include non-enrollment-based revenue diversification strategies. The revision is also under review by the strategic planning committee with a calendar year-end completion date.

Based on the information provided by the university through documentation and interviews as well as the concerns listed above, the team finds that Humphreys is not in compliance with the key components of CFRs 3.4 and 3.8. In addition, the team has provided a series of recommendations to assist the university in complying with these CFRs.

C. Issue: Board Governance and Independence

The board of trustees and its trusteeship committee addressed the Commission's concerns and recommendations by taking several actions. These actions included a review of board bylaws and policies that resulted in a revised board conflict of interest policy, the adoption of a board independence

policy, a commitment to conduct periodic audits to ensure ongoing compliance with these policies, the creation of an audit committee of the board, and the creation of an ad hoc committee on enrollment with university-wide representation. Board level actions also included the development and utilization of a survey instrument to assess conflicts of interest and identify various needs including gaps in board diversity, expertise, and representation. The results of the surveys were first used to develop a matrix to inform characteristics needed when two board vacancies (university bylaws allow for 15 board members) were filled at the September 2022 meeting of the board resulting in enhanced diversity, local area representation, and expertise in law and finance with some teaching experience on the board. Also at the September 2022 board meeting, the former president of the university, and the father of the current president, resigned from the board of trustees.

Another action taken by the board to address concerns included expanded reporting at board meetings beyond reports from the president and CFO. Beginning at the board's May 2022 meeting, the deans of the university now provide regular reports at board meetings and, more recently, the new provost is delivering regular reports.

Lastly, the board joined the Association of Governing Board (AGB) in July 2022 and made a commitment to reinstate bi-annual retreats for board development and training effective in 2023. The board also used AGB's board self-assessment program to begin to assess its effectiveness and to focus future board development and training efforts. In addition, the board and its trusteeship committee have discussed the hiring of AGB and/or other outside higher education professionals to conduct future board development and training activities.

Interviews with members of the board of trustees, senior staff members, and members of the university community indicate that the actions recently taken by the board to improve its governance and independence have been effective. The recent appointment of two alumni board members that are reflective of the surrounding Stockton area were especially well received. In addition, the expanded reporting of key administrators at board meetings has benefited both trustees and administrators.

In summary, Humphreys University has taken several actions to improve board governance and independence. Actions of special note include creating a board audit committee and ad hoc committee on enrollment, instituting standing reports by key academic administrators at board meetings, joining AGB, and beginning to take advantage of AGB resources for board development and training.

The team does, however, have concerns regarding board governance and independence. First, the bylaws of the university do not include term limits for board members, which can lead to inertia and complacency on the board and fewer opportunities to address identified skills and representation needs. Second, the conflict-of-interest policy does not have an annual disclosure requirement that could help identify developing conflicts of interest. Third, the outsourced CFO and his firm, CSMC, provide outsourced CFO and other services to the university's contractual partner, ABLE Charter Schools, which can lead to potential conflicts of interest in contract/program administration and negotiation, especially since there appears to be a number of existing favorable tuition waiver programs for the students, staff, and parents of ABLE students as well as university financed and maintained facilities that

house ABLE's operations. Fourth, the two new board members appointed in September 2023, while enhancing diversity, local representation, and expertise of the board, did not specifically address board survey identified needs in the areas of higher education, marketing, and public relations. Fifth, the bylaws of the university call for academic affairs and institutional advancement committees of the board, which do not appear to be active. Finally, the board has yet to benefit from any outside training and development resources and only committed to bi-annual rather than annual retreats focused on board development and training despite self-assessment results indicating current needs in these areas.

Based on the information provided by the university through documentation and interviews as well as the concerns noted above, the team finds that Humphreys is not in compliance with key aspects of CFR 3.9. In addition, the team has provided a series of recommendations to assist the university in complying with CFR 3.9.

D. Issue: Leadership and Decision-Making

One of the concerns expressed in the Commission Letter is that much of the decision-making on the future direction of the university, the shape of academic affairs, and the development of budget models and other financial considerations all resided with the President, a fact that prompted the institution to state in its Special Visit report: "it is imperative that Humphreys include faculty and staff in decision making" (9). During the SV, it was apparent that the institution had made strides in this area.

For instance, promoting Jess Bonds as provost and expanding Miles Denniston's duties from comptroller-like responsibilities to those of a CFO demonstrate serious attention to one of the Commission's concerns (on the Special Visit team's continuing concerns related to the CFO, see section IIB of this report).

Although this broadening of decision-making powers has been noted, the team questions how independent the two positions are from the president given the assertion that "[a]s the positions of the CFO and provost become ingrained in operations, the president will have more time to be visible in the community" (Special Visit Report 19). The team asks, what does "ingrained" mean with respect to the provost's and CFO's decision-making authority and leadership, and when will it be deemed appropriate for these two positions to achieve full independence from the president in their areas?

As for its structures, the team notes that the institution has reorganized some of its organizational structures with the deans, for example, now reporting directly to the provost rather than the president. In spite of such efforts, other elements of the university's structures and processes for decision-making need to be clear, formalized, and widely distributed. For example, the institution states that decision-making has both "been broadened" and "decidedly moved away from the president and toward the faculty." It is unclear whether the "faculty" mentioned here refers to the provost and deans or to the full-time and part-time faculty as well. Additionally, if decision-making indeed has moved toward the full-time and part-time faculty, then the type of decision-making described by the senators during its interview with the team did not seem to be strategic decision-making, however.

The team commends the institution for including "additional voices" as "input[s] into decisions" (Special Visit Report 19). It still remains to be seen whether the new configurations of the Strategic Planning and Executive Committees as well as the Academic Senate will support and sustain strategic decision-making

on such matters as finances and budgets, enrollment, and, to quote from the Commission Letter, on “institutional capacity and educational effectiveness.”

Institutional capacity and educational effectiveness are two of the primary formal issues on which higher education leaders focus whether they are faculty or administrators. Yet, higher education institutions require leaders (regardless of whom they are) who use data and standards or benchmarks for the major decisions at institutions. The team’s concern here is not about more representation, but whether the faculty representatives are equipped to share co-responsibility with the administration for the direction of the university, particularly in the area of educational effectiveness. The university appears to lack the data and analytic skills needed for decision-making.

The institution’s report details that “another significant rearrangement of decision-making” involves the president’s adjustments to the reporting structure so that the Senate, Graduate Council, and Law Council report to the provost (during an interview during the site visit, however, the senators stated that they continue to report directly to the president). After the president’s structural adjustments in reporting from himself to the provost, “the provost, in turn, decided to move the reporting of those faculty governance groups from the provost to the respective deans” (20). There is a lack of clarity on whether these changes from president to provost and from provost to dean in the reporting structure necessarily promotes strategic decision-making. Relatedly, the team understands that a reporting structure can change and have an impact on how decisions are made, but without formalization and clarity, these changes will not result in building institutional capacity.

The penultimate subsection on the section of the report addressing leadership and decision-making includes an “analysis of effectiveness of actions.” However, that analysis of effectiveness reads more as a description of actions regarding leadership and decision-making rather than as an analysis of effectiveness. The team finds that it is too soon to comment on the effectiveness of the university’s actions to address leadership and decision-making, and it maintains the view that a wider distribution of decision-making to others in the university is needed (CFR 3.17).

E. Issue: Faculty and Academic Leadership

The university should be commended for swiftly responding to the Commission’s concerns about an absence of designated academic leadership above the deans. As discussed in the Institutional Report and supported by the associated attachments, the president took immediate action by tasking the Executive Committee with discussing the need for a provost position, creating a job description, and soliciting broad community input. After wide discussion, which included anonymous commenting opportunities, then dean, Jess Bonds, was proposed for the position, and he was unanimously approved. After speaking with many groups, including deans, chairs, and faculty, the team was able to confirm that the president made quick and sincere efforts to create a provost position, attempted to create wide input from the community, and garnered support with a unanimous vote. It is worth noting that, although proposed initially, a wider search outside of the institution was never undertaken. That step may have provided greater shape and insight into what the institution needs in an academic leader, or at least would have confirmed that they had the best candidate of all available candidates in a broader pool. The team did not find evidence that there were great concerns amongst community members about the lack of outside candidates or that it would invalidate the strength of the position.

The provost position has been in place for less than a year, so the university is still adjusting to changing reporting lines, information flows, and processing. It does seem that the addition of the new position

has already had a positive impact on the institution in both practices and morale. The team received broad feedback that having a provost in place allows for a clearer mechanism for expressing academic concerns, acts as a unifying academic voice, and increases feelings of trust and the ability to provide input. Although faculty, chairs, and deans had many great things to say about the creation of the provost position, it was clear that the provost has had minimal time to begin working in the position, so his full ability to implement change and create a stronger academic structure is yet to be seen. Some of the changes shared with the Team in meetings that have taken place were that the provost has helped with budget planning, enrollment strategizing and outreach, and faculty communication and outreach. An example of where clearer academic leadership can provide invaluable guidance is the area of budget planning and alignment with strategic decision-making.

One of the concerns that was raised at the last Reaffirmation Visit was the complete lack of control the deans and chairs had over their academic budgets, which amounted to them having no real authority to implement changes. Since the last Reaffirmation Visit, the university has instituted a model of wide sharing of financial information amongst different constituencies. The CFO began sharing budget information with the provost and deans. The information was made available in a way that had never been done before, and programs can now see how they are directly impacted by revenue and expenditures. The institution shared in meetings that this has allowed the deans to make more informed decision-making by enabling them to think about how their plans might directly impact revenues or how they might maximize programmatic resources. The deans shared that they are now also able to work with the provost to strategize how to tie budgeting to programmatic goals and educational priorities. When reviewing the evidence of the types of planning being made, it was clear that the institution is just beginning to consider how to use budgeting to make decisions and that it is not yet tied into strategic decision making or comprehensive program review. The team was provided with evidence in both the submitted attachments and during interviews on how departments are beginning to familiarize themselves with their budgets, work with the CFO to understand the information, and begin to make changes.

The university has shown steps in the right direction for supporting its academic leadership, but those steps are still in the very beginning stages. In taking steps to add budget information to academic decision-making, the deans worked with faculty chairs and directors to develop budgets and provided them with support structures such as “budget development instructions, a university budget calendar, a department budget template, as well as enrollment and revenue data.” (Visit Report page 22). Within programs, a push was made to tie budgets to educational needs such as faculty professional development, as well as to larger goals such as program enrollment and viability. The specific efforts varied by program. These efforts were shared with the team in interviews and provided as examples such as the provost helping specific programs with new marketing strategies or faculty attending new professional conferences. During annual performance reviews, departments consult with the provost and deans on their budgets and receive suggestions for tying them to long- and short-term goals before submitting their proposals for alignment of their academic plans to their approved budget. This is a great step in the right direction, but the institution still was unable to provide sufficient evidence that alignment was meaningful, systematic, and realistic. Documentation provided by the university (Attachments 5.K: Examples of How Deans Collaborate With Departments to Establish Educational Priorities and 5.J: Example of Collaboration and Consensus Between Dean and Chair on Budgetary Matters) shows the steps being taken by deans, chairs, and directors in such a short time, but the documents still lack analysis of comparative historical data, inclusion of market trends, or subjective support that the process is meaningful, and budgeting is realistic. To cite a specific example, in Attachment 5.K, the program calls for very few budgetary needs to fund the program proposals, even

for professional development or considering new curriculum. To contrast this, during the visit the team frequently heard about “unanticipated” costs and expenses like those in Attachment 5.J, which are more likely to arise when tools that can help predict budgeting costs are not utilized.

It is clear that the university requires a great deal of reflection and review at different institutional levels, but what is less clear to the team is what data was being used to support the reflection and review. In program reviews and annual reviews, the institution would reference assessment analysis, but that analysis was never provided to the team and none of the insights were in any of the budget plans. Therefore, the team cannot say with certainty that program review or academic planning and budget alignment are, in fact, data-driven. Although the institution should be applauded for beginning this work, it still has a long way to go in ensuring both that the process is solidly ingrained in the institution and is cyclical and that programmatic assessment data is used to inform budgetary decision-making. Currently, it appears that even faculty decision-making may be led more by individual programmatic goals, such as increasing enrollment, and is not yet tied to long-term program improvement plans which would allow for evaluation of the impact of intentional change and resource-allocation. This is an institutional area of concern, but it also impacts the faculty’s ability to exercise effective academic leadership.

When evaluating the faculty’s ability to exercise effective academic leadership, the team looked to the faculty’s participation on committees, in governance matters, budgeting, workload, and with regards to educational effectiveness. The university took steps to address concerns about imprecise reporting lines and governance by updating the organizational charts and the shared academic-governance matrix. Although reporting and information-flow is a piece of it, participation in decision-making is also important. In the institutional report, the university states that “faculty representation on key governing and influential committees and task forces, such as the WSCUC Task Force, is essential for ensuring that academic leadership is empowered to make decisions about programs, budgets, and faculty workload.” (Visit Report page 26). The university goes on to explain that to support this, the institution added to the Executive Committee: 1) an Academic Senate member, 2) an adjunct liaison, and 3) the Academic Senate chair as a standing member. Although these actions do increase representation, the Academic Senate currently only has representation from the undergraduate faculty and there is no singular body that represents all faculty. Notably, the Graduate Council and the Law Council are not represented by or at the Academic Senate. As the Academic Senate is the only faculty body that has representation on many committees such as the Executive Committee, there is no singular voice representing all of the faculty. As a small school, the deans are on the Executive Committee, so it is possible that the university sees this as representation of the Graduate Council and Law Council. However, it is not the same level of access as representation from non-administrative faculty that the undergraduate representatives have.

The last area the institution was asked to address in this category is faculty workload. The faculty are clearly very dedicated to the students and their personalized touch is a hallmark of the student experience at Humphreys. To address the prior teams and Commission concern over heavy faculty workload, the faculty created a Faculty Workload Policy which limited the number of courses a full-time undergraduate faculty member was required to teach each quarter from four down to three; full-time faculty are expected to teach in all four quarters. When speaking with full-time faculty, they stated that workload is not a current concern, and they shared that they have plenty of time to teach, conduct office hours, and engage in assessment. The team observed that the Faculty Workload Policy only addresses the workload of full-time regular faculty, which is a very small percentage of the faculty at Humphreys University. It is unclear how adjunct faculty (with the exception of law school adjuncts) participate in assessment activities beyond course assessment, if at all. When questioned about this, the

adjunct faculty did not express concern about the amount of time they were expected to participate and did not express any feelings of exclusion. The adjunct faculty who participated in interviews with the team shared that the amount of time they spent on courses and participation on committees was about the right amount given their other jobs.¹ This does raise the question as to how all educators at the institution—which includes adjuncts—are taking responsibility for evaluating the effectiveness of teaching and learning processes at Humphreys (CFR 4.4).

The full-time faculty shared with the team that their current workloads were manageable; however, they explained that it was likely a result of low undergraduate enrollment rather than a result of the Faculty Workload Policy eliciting any real change. The full-time faculty expressed a desire for greater undergraduate enrollment, but also shared that, even with the reduction in the number of courses taught per semester, a hypothetical increase in enrollment in individual courses would mean a higher assessment and advising role.

This raises a concern given the goals of the current strategic plan (discussed above in more detail in Section II.B.). These goals speak to increasing projected enrollment using various alternative scenarios. Depending how the projected enrollment increases, and whether it does so across undergraduate programs as opposed to only graduate programs, it could have a significant impact on the teaching loads of full-time faculty. It was explained to the team that foreign online master's programs were the most cost-efficient and therefore the largest revenue generators. It was unclear to the team from interviews whether the new strategic plan revision that is underway will prioritize programs that are revenue generators and focus primarily on issues of finance or if it will address issues of alignment with institutional mission and goals, how proposed programs will be assessed, whether they will only be taught by adjunct faculty,² their impact on teaching resources and teaching loads, and faculty's corresponding ability to conduct course, programmatic, and institutional assessment.

Given all of the information provided by the institution and explained above, the team finds that the institution has made progress towards responding to the Commission's previous concerns. The team was not able to find evidence that all concerns have been fully addressed or that there has been enough time for the institution to make full progress.

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

¹ The Law School adjuncts shared with the team that they participate in law school committees and assessment activities at a much higher level than adjuncts in other departments and programs. Where there are two adjunct faculty representatives on the Faculty Executive Committee, of the fourteen adjuncts who spoke with us, two had participated as representatives in different years. To compare, one of the law school adjuncts shared that adjunct faculty might be on multiple law school committees any given year and participate in JD program review.

² If new programs are primarily taught by adjuncts, more information would be needed as to how the students in these programs receive the same quality of education and support as the students who have full-time faculty and received the personalized touch frequently attributed, during interviews, to the full-time faculty.

A. Commendations

The team commends:

1. The university for the seriousness and focus with which the WSCUC Taskforce responded to the specific issues raised by the Commission and the team.
2. The university for developing and implementing a transparent and distributed budgeting process.
3. The Board of Trustees for creating an audit committee, instituting standing reports by key academic administrators at regular board of trustee's meetings, for joining AGB and beginning to utilize AGB resources for board development and training, and for appointing two new alumni trustees that are reflective of the diversity of the surrounding Stockton area.
4. The university and president for improving communication and transparency by facilitating the creation and implementation of the new shared governance matrices,
5. The university for including additional voices as inputs into decision-making. Students, alumni, and trustee members sit on the Strategic Planning Committee; an adjunct faculty member is now on the Academic Senate, and the Academic Senate chair and an additional faculty member selected by the Senate are now seated on the Executive Committee.
6. The dedication of faculty and staff to the students. Their personalized approach to student support begins at admissions and continues through to graduation.
7. The university for creating the provost position and thereby strengthening the voice of the academic area.

B. Recommendations

The team makes the following recommendations for Humphreys University to strongly consider:

1. Review all existing and proposed programs with ABLE Charter schools for academic integrity, resolve all conflicts of interest (including the outsourced CFO), and re-examine all programmatic relationships to ensure that they are beneficial to the university and in compliance with WSCUC Standards. (CFR 1.7, 1.8, 2.2, 2.2a, 3.4)
2. Re-examine the programmatic and fiscal relationship with Maxwell College, work with WSCUC to regularize the status of the City of Industry off-campus location and ensure compliance with federal regulations. (CFR 1.7, 3.4)
3. The institution needs to improve its institutional research functions including data collection and, importantly, analysis in order to support curriculum and program review and approval processes, as well as to inform planning, decision-making, and program viability. (CFRs 1.2, 4.1)
4. Create a process and a data-informed culture for regularly generating, evaluating, and disseminating standardized and disaggregated data about student success, including measures of retention, graduation, and employment outcomes, and evidence of student learning. (CFRs 1.2, 4.1, and 4.3)
5. The work to change the culture and structure of the University has only just begun, and the institution needs to provide resources to implement and maintain the laudable changes in leadership and decision-making it has made over the last few months. Organizational structures and decision-making processes should be clear, formalized, and widely distributed. (CFR 3.7)
6. The faculty governance structure is a step in the right direction. However, the Academic Senate is the only structure that has a seat at the Executive Committee, and there is no singular body that represents the full faculty. (CFR 3.10)

7. Increase the engagement and presence of the CFO to fully participate in the governance structures of the university. (CFR 3.8)
8. Retain an independent auditing firm that is experienced in higher education accounting, reporting, and auditing; has the capacity to rotate audit partners; and utilizes a two-part statement of activities to separate operating and non-operating revenues and expenses in its audited financial statements. (CFR 3.4)
9. Expedite the completion of the evolving strategic plan update with the addition of revenue diversification strategies separate from facility rental and enrollment growth, enrollment goals that are attainable and data informed, viability assessments of proposed new programs, procedures for aligning budgetary processes with the strategic plan, and achievable strategies to address ongoing deficits as expeditiously as possible. (CFR 3.4)
10. Reactivate the academic affairs and institutional advancement committees of the board of trustees as described in the bylaws of the university and expedite board education and development activities. (CFR 3.9)