![WASC Senior College and University Commission logo]

REPORT OF THE WSCUC TEAM
SPECIAL VISIT

To Pacific Union College

April 14-16, 2021

Team Roster

Bob Brower, Chair
President
Point Loma Nazarene University

Stephanie Juillerat, Assistant Chair
Associate Provost for Faculty Affairs and ALO
Azusa Pacific University

Kimberly Renna
Chief Financial Officer
Franciscan School of Theology

Heather Brown
Associate Vice President for Institutional Effectiveness
Sonoma State University

Christy Stevens
Associate University Librarian
San Francisco State University

Maureen A. Maloney, WSCUC Liaison
Vice President
WASC Senior College and University Commission

TABLE OF CONTENTS

SECTION I – OVERVIEW AND CONTEXT

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

SECTION III – OTHER TOPICS, AS APPROPRIATE

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

APPENDICES (if applicable)

SECTION I – OVERVIEW AND CONTEXT

A.   Description of Institution, Accreditation History, as relevant, and Visit

Pacific Union College (PUC, the college), a private, four-year, residential, liberal arts, Seventh-day Adventist (SDA) college, offered seven baccalaureate degrees, one associate degree, and two master's degrees. Completing its 139th year in spring 2020, PUC had a long history of providing Christ-centered education. In addition to its main campus in Angwin, CA, PUC has an additional location in Napa, with the intention of creating satellite campuses (i.e. other off-campus locations) and online programs.

PUC accreditation history began in 1951. As a result of its last WSCUC accreditation visit in 2018, PUC received an accreditation period of eight years and was required to submit an Interim Report in November 2019 with a Special Visit in fall 2021. As a result of the Interim Report review, PUC was issued a Formal Notice of Concern with a Progress Report due on April 1, 2020 and the Special Visit moved up to spring 2021. The Progress Report was expected to address the following areas:

- Report on PUC Board of Directors' action on approval of faculty and staff reductions.

- Report on the Pacific Union Conference's action on approval of additional financial support.

- Include a contingency plan in the event these strategies and those described in PUC's November 1, 2019 Interim Report are not effective, including a teach out plan.

In a December 18, 2020 staff response, the Progress Report was received and the hard work of PUC acknowledged by WSCUC. PUC was instructed to address in its Special Visit Report the requirements identified in the Commission Action Letter (CAL) dated July 20, 2018, as well as the March 2020 CAL. Broadly, from the 2018 action letter, PUC was to address its progress on

- The implementation of a financially sustainable budget model, which by necessity included a reduction in staff and a contingency teach out process; (CFR 3.4)

- Continued efforts to create positive faculty and staff morale; (CFRs 3.2, 3.3, and 3.10)

- Utilization of enrollment strategies that attracted and retained an appropriate number of students; (CFRs 3.4 and 3.7)

- Use of direct evidence to assess student achievement of WISDOM outcomes; (CFRs 2.2, 2.4, 4.1, and 4.4)

- Establishing institution-wide, regularly scheduled performance reviews for all staff and administration; (CFR 3.2) and

- Creating structured professional development for faculty and staff. (CFR 3.3)

In addition to expectations from that 2018 CAL, the Commission surfaced two additional lines of inquiry in its 2020 CAL. These included:

- Increase Board of Directors engagement and monitoring of the college's efforts to foster a sense of urgency about PUC's challenges; (CFR 3.9)

- Move beyond a continuous improvement focus to strive for a strategic breakthrough to address the college's challenges in transformative ways. (CFR 3.6)

B.   Description of Team's Review Process

The evaluation team (team) engaged in a rigorous pre-visit review of materials, a conference call to discuss issues of ongoing interest, followed by a review of additional materials provided by PUC at the team's request. The team spent considerable time designing interview questions that could best address the questions that arose from the pre-visit work. All team members diligently considered the written evidence provided by PUC and rendered judgment based on that evidence, supplemented by conversations with college constituents.

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

As part of its preparation, the team read the Pacific Union College Special Visit Report (institutional report or report) and its accompanying appendices. The team also reviewed subsequent materials that it requested from PUC. PUC was able to produce all requested materials in a responsive and timely manner.

The institutional report was clearly organized and addressed the institution's response to prior Commission Action Letters. The narrative indicated that thoughtful consideration had been given to each of the Special Visit areas. The institution also identified ongoing areas for improvement and future

plans. Overall, the report reflected an authentic self-assessment of the institution's status at the time of its writing. (CFR 1.8)

According to the report, and confirmed by subsequent conversation with the steering committee and accreditation liaison officer (ALO), there were high levels of involvement by the board of trustees (the board) and the senior staff, providing evidence and written responses to the issues addressed in the report. However, conversations with faculty and staff at the time of the visit indicated that the faculty were minimally involved, to the point of feeling excluded, from not only receiving communication from PUC about the WSCUC CALs, but also from participation in the development of the vision for the turnaround plans, subsequent decision-making, and action planning to address WSCUC concerns. Insufficient communication and lack of faculty involvement emerged as a consistent theme throughout the visit and is addressed later in this report and as a recommendation. (CFRs 3.10 and 4.7)

SECTION II – EVALUATION OF ISSUES UNDER THE STANDARDS

The team evaluated the issues identified in PUC's report and verified its conclusions with further review of evidence and 17 different conversations with various constituencies on campus during the remote visit. In many cases, PUC's plans for improvement were aspirational in nature; that is, the institution had been unable to make significant progress since the Interim Report or Progress Report but were planning improvements in the future. The team's analysis of the key areas follows.

A.   Financially Sustainable Budget Model

The most significant area of concern that the team explored was the financial sustainability of PUC. To strive for the institution's future sustainability, PUC had created and implemented "Reclaiming our Past: Reframing our Future," a strategic plan for 2018 -2023, with the input of the institution's new senior leadership team (President's Cabinet). Specifically,

- Turnaround Plan 1.0 was initiated in 2017 to reduce expenditures and improve auxiliary revenues. It was achieved and closed December 2019.

- Turnaround Plan 2.0 was initiated in fall 2019 to grow enrollment to 1,440 head count by 2023 as well as an increase in the student faculty ratio of 15.1:1.

- Vision 2021 was initiated in summer 2020 to streamline academic offerings to match market demand; to reinvigorate the Angwin campus to be attractive, sustainable and relevant to students who desire the traditional college experience; to create satellite campuses in key Seventh-day Adventism communities; and to expand the online program offerings.

At the visit, the President's Cabinet articulated dedication to the creation and implementation of the turnaround plans and Vision 2021 for the future, with a growth perspective. (CFRs 3.4, 4.6, and 4.7)

PUC had received an unqualified audit opinion for the last three years. In the letter dated April 27, 2020 to the board of trustees, Audit Review Committee and Management, the auditing firm indicated that there could be substantial doubt about the college's ability to continue if the college continued to see enrollment declines, erosion of unrestricted net assets, and recurring significant operational cash flow deficits, each of which were explored by the team and are discussed below. (CFR 3.4)

Enrollment Declines

At the time of the visit, the college continued to see declines in enrollment due to a decreasing applicant pool from the Seventh-day Adventist K-12 school system. This decline resulted in the college's need to compete with other liberal arts colleges and universities for students, which to date had been unsuccessful. In the June 30, 2020 Consolidated Statement of Change in Net Assets, gross tuition revenue represented 82% of the college's total operating income which illustrated the college's dependence on student enrollment. At the time of this report, tuition revenues continued to decrease. An 8% decrease in tuition revenue was recognized for the fiscal year ended 2020, which was slightly less than the 12% decrease for the fiscal year ended June 30, 2019. (CFRs 3.4 and 4.7)

Erosion of Unrestricted Net Assets

At the time of the visit the college's unrestricted net assets continued to erode. The college continued to experience a significant negative change in unrestricted net assets over the last three

years. Specifically, unrestricted net assets decreased from $11M in 2017 to $2.8M in 2019. This decline

in net assets continued for the fiscal year ended June 30, 2020 by an additional $7.9M, which moved

unrestricted net assets to a negative $5M at the completion of the 2020 fiscal year. Based on

conversations during the visit, PUC's finance team anticipated a deficit of approximately $7.8 for the

current fiscal year to end June 30, 2021, increasing the unrestricted net assets to a negative $12.8M.

(CFR 3.4)

      With a primary reserve ratio for the college of well below .4 for 2019 and 2020, the college

appeared not to have the operational expendable resources to ensure long term viability. This also

demonstrated to the team that the college did not have the expendable operational resources needed

to invest in the future. (CFR 3.4)

      Recurring Operational Cash Flow Deficits

      At the time of the visit, the college continued to operate with a significant operational deficit,

$7M, $9M, and $7.9M for the fiscal years ended June 30, 2018, 2019, and 2020, per the audit reports.

An examination of the cash flow statement indicated that the college's negative impact on cash used in

operating activities had declined over the last three years from $5M in 2018 to $1.3M in 2020, and the

college had budgeted for an operational deficit of $6M for the 2020 -2021 fiscal year, with the finance

team's estimate of an actual deficit of $7.5M. The 2021-2022 budget was not available during the

team's visit. (CFR 3.4)

      The continued annual operational deficits were funded through adding additional debt. As of

December 31, 2020 the college had incurred debt of $50M of which $45M had a due date of July 31,

2021, although PUC noted it could be extended, a claim that was verified in conversation with the

treasurer of the Pacific Union Conference. The college's outstanding debt continued to increase in order

to fund daily operations of the college, auxiliary enterprises, retail operations, and funding initiatives in

the turnaround plans. An additional line of credit was extended from the Pacific Union Conference of

Seventh-day Adventists for additional liquidity, operational cash, up to $3.725M for the 2021-2022 school year. Annually approximately $2.6M of operational cash was required to service the Line of Credit's interest and the note's payable terms. As the college was operating at a deficit, no cash was available to service callable debt. The college appeared to be reliant on the annual subsidy and continued issuance of debt instruments by the Pacific Union Conference of Seventh-day Adventists to operate. In conversations at the time of the visit, the vice president of finance was confident that no significant additional debt was necessary through the transition to sustainability, but the team was not fully convinced based on the evidence it reviewed. As such, the team recommended that PUC produce and implement a viable plan for repayment of outstanding debt, and that PUC secure written confirmation of funding commitments necessary to address operating deficits through the transition period to a balanced budget, and eliminate deficits by FY24. (CFRs 1.5 and 3.4)

As further evidence of PUC's financial difficulties, the Department of Education issued the college a letter dated September 14, 2020 notifying the college it had failed to meet the financial responsibility standards (composite score of 1.2 (scale of -1 to 5). The college obtained the required letter of credit, which was guaranteed by the Pacific Union Conference, to continue its participation in Title IV financial aid programs. (CFRs 1.5 and 3.4)

Despite the concerning operational deficit at the time of the visit, PUC projected a balanced budget by the end of the 2024 fiscal year. Through the established budget model the finance team actively monitored the progress of the identified initiatives, which mapped the college's path to sustainability. This budget process allowed PUC to act with urgency to adjust the college's focus or approach to each initiative. The PUC finance team demonstrated their commitment to researching and evaluating all possible opportunities that the college's current assets presented in order to move the school toward financial sustainability. The college had promising auxiliary and retail enterprise opportunities in the local Angwin community. However, these opportunities, which provided a

diversification of revenue streams to assist in alleviating the declines in enrollment revenue, needed time to develop. (CFRs 3.1 and 3.4)

In sum, at the time of the visit, the college had seen enrollment revenue declines, erosion of the unrestricted net assets, and recurring operational cash flow deficits. This demonstrated to the team that the only way PUC was able to have sufficient resources and be minimally financially stable was with the Conference's assistance, albeit this was not a design to ensure long-term viability. The college's future sustainability was dependent on:

- Attainment of projected enrollment increases;
- Successful implementation of online and satellite programs;
- Continued financial support from the Pacific Union Conference; and
- Timely recognition of diversified revenue opportunities.

More progress in the areas of the strategic turnaround and vision plans needed to be established to properly evaluate the future sustainability of the college. (CFRs 1.5 and 3.4)

B.   Continued Positive Faculty/Staff Morale

While the college's financial challenges contributed to poor faculty and staff morale over the past several years, in 2020 morale was further tested by both the global pandemic and multiple fire evacuations. The institutional report indicated that the college understood the impact of these challenges, and it documented various actions that were taken to enhance morale, from awards, recognition, and gifts to various campus events and communication strategies designed to foster community connectedness. The report also noted that despite both new and ongoing challenges, faculty and staff morale surveys revealed modest improvements between the spring of 2016, when only 12% of faculty and 15% of staff reported that things were going well on campus, and the spring of 2020, when 23% of faculty and 29% of staff reported that things were going well on campus. While acknowledging

these modest improvements, the report also provided a realistic assessment that morale remained an issue and employees would need additional support in the coming years. (CFRs 3.2 and 4.7)

The team heard from a significant number of faculty and staff regarding morale issues. The team's conversations with faculty, staff, and administrators during the visit clearly evidenced employees' deep dedication to the college and investment in its success, but they also pointed to additional factors that had negatively impacted morale. Faculty acknowledged the toll that the pandemic, fires, evacuations, workforce reductions, and heavy workloads had on the community, but many pointed to the lack of consultation and, related, ineffective and poorly timed communication as the main sources of poor morale among the faculty. Specifically, many faculty members indicated that they were not involved in the development of the turnaround and Vision 2021 plans, and that decisions about academic programs and the future of the college that they would be expected to implement were frequently announced to faculty without having involved them in the decision making process. Others articulated that faculty were not consulted about faculty reductions, nor were they involved in conversations around the implications of financial exigency. Some faculty stated that this lack of consultation went hand-in-hand with the administration's routine bypassing of the shared governance policies and practices that were outlined in the college's Faculty Handbook. (CFRs 2.4, 3.2, 3.10, and 4.7)

While many faculty echoed these concerns around receiving edicts when consultation would have been more appropriate, others pointed out that sometimes information about what had been decided was also unclear and insufficient. For example, when asked about the Vision 2021 plan, faculty responses revealed that they knew very little about it, and they seemed unsure about whether or how they could access the plan itself. Specifically they were unaware of what programs would be taught at the satellite campuses and whether existing faculty would be required to teach off-site of the main campus. They were also unclear about whether or how faculty would be trained to develop and teach high-quality online courses and programs. Additionally, faculty reported that their requests for details

and data about the proposed new satellite campuses and online programs had gone unanswered, and as a result, they indicated that they did not have adequate information to be able to determine for themselves whether the new plan constituted a plausible way forward. Perhaps because of this lack of access to information about the college's plans for its future, several faculty members expressed concern about the use of potentially non-strategic strategies. In short, inadequate information sharing coupled with insufficient consultation left many faculty feeling helpless; they explained that they wanted to help the college that they love to succeed, and they believed they had the capacity to make positive contributions, but ultimately felt like there was nothing they could do because they felt their voices were not valued, and they had been shut out of the process. Given these expressed concerns, the team recommended that PUC improve regular communication and increase active collaboration between the PUC administration and faculty related to the development of curriculum and assessment of academic quality, including development of courses and programs for new locations and modalities. (CFRs 1.7, 3.2, 3.7, 3.10, and 4.6)

Staff members explicitly acknowledged that they had a different relationship to the turnaround and Vision 2021 plans than the faculty. Since staff would not be required to implement initiatives like satellite campuses and online courses and programs, many reported that they felt communication about those plans, as well as about the presidential search, had been sufficient. When asked about their morale, several acknowledged feeling tired and overworked due to a variety of circumstances, including the pandemic, the shift to remote work, and staff reductions; but a few nevertheless described their morale as good, explaining that they felt hopeful about the future. Others, however, were far less sanguine about the future, with many referencing a lack of trust in the board as a source of their misgivings. Several described a "disconnect" between the board and the campus, characterized by a lack of understanding of the issues the college faced, while others described what they perceived to be the board's conflict of interest. One person reported that there was a lot of angst in the community around

the board's ability to select a president who would successfully lead the college through this challenging time when the board was responsible for selecting the last three presidents who later resigned and left. Others weighed in that presidents were held accountable for problems that they did not have the authority to fix, and that major changes were actually directed by the board. Though the staff were not as explicit as the faculty about having low morale, their responses revealed a great deal of concern about the board and its impact on the future of the college. (CFRs 3.2, 3.6, 3.9, and 4.7)

Discussions with administrators also revealed that their morale had been negatively impacted by the board. Specifically, they faced a number of challenges as the result of the formation of the board's Ad hoc Turnaround Plan Advisory Committee (Ad hoc Advisory Committee), which they characterized as well-intended but sometimes disruptive, straying into operational areas and adding another layer of reporting that increased their workload. Because few of the board members had experience in higher education, administrators reported that it was sometimes difficult to get the Ad hoc Advisory Committee members to understand issues, like how long it took to develop new programs of study or to develop online programs. While administrators acknowledged that they could in theory reject Ad hoc Advisory Committee members' recommendations, in practice to do so would be awkward, to say the least, and risked blurring responsibility and authority. In an effort to produce common understanding, the team recommended that PUC enhance the board's expertise regarding its roles and responsibilities through training and development efforts for both new and continuing members. (CFRs 3.7 and 3.9)

In sum, the review team found that PUC employees' dedication to the college, to the students, and to each other as colleagues remained remarkably high across campus, but morale was nevertheless low. Hope for both a positive outcome to the presidential search and a sustainable future for the college persisted, but it was tempered not only by the college's financial challenges, the pandemic, and natural

disasters, but also by significant concerns around communication, consultation, shared governance, and the role of the board. (CFRs 3.4, 3.6, and 3.9)

C.   Enrollment Management Strategies

Despite a small increase in enrollment for fall 2020, PUC continued to experience significant challenges with enrollment.

Enrollment, Retention, and Graduation

According to the Student Admissions Plan (SAP), between 2014 and 2019, the number of new students declined each year (from 484 to 239, a decline of 51%) (pg. 43). In 2020, PUC welcomed a new student class of 240 which marked the first time an entering class was larger than the class that began the previous year. (CFR 3.4)

PUC fall 2020 new student enrollment was mixed. The declining trend plateaued in 2020; however, the number of new students fell short of the enrollment projection established in the SAP (240 versus 375, a difference of 135 or 36%). Upon request, PUC provided detailed information about the fall applications, admits, and enrollments of new student populations between 2018 and 2021. The data revealed the following patterns.

- The number of applications declined by 48% between 2018 and 2021. The most significant decline occurred between 2020 and 2021 (43% decline). Of particular concern was the 42% one-year decline in freshmen baccalaureate applications (PUC's largest program).

- The number of admits decreased by 39% between 2018 and 2021. Recent declines in applications translated to admits, with total admits dropping by 42% between 2020 and 2021, to 646.

- The number of new student enrollments declined by 6% between 2018 and 2020. At the time of this report, final enrollment numbers were not available for 2021.

PUC projected it would have 293 new freshmen and 109 new transfers for fall 2021 (Admissions Enrollment Retention Data file provided 04/01/21). Based upon the fall 2021 admits, this would require admit-to-enroll yield rates of 52% and 66% respectively. An analysis of the admit-to-enroll rates for the past three years (2018 to 2020) revealed three-year average yield rates of 19% for freshmen and 30%

for transfers. Applying these average yield rates to the 2021 admits resulted in far lower enrollment projections of 106 new freshmen and 34 new transfers (140 total) for 2021. It appeared that PUC had not adjusted 2021 enrollment projections based upon the actual applications, admits, and recent yield rates. The team concluded that it was unlikely that PUC would enroll 293 new freshmen and 109 transfers (402 combined) in fall 2021. (CFR 3.4)

Successful enrollment strategies require successful retention rates. Fall to fall retention of entering bachelor's degree-seeking cohorts was 82% and 80% for the 2017 and 2018 cohorts respectively. For the 2019 cohort, this rate declined to 70%. The most recent fall-to-spring retention rates dropped by ten percentage points (90% to 80%) for the 2019 and 2020 cohorts. This suggested that the fall-to-fall retention rate of the 2020 cohort was likely to be substantially lower than it had been for recent cohorts, thus likely impacting enrollment success. (CFRs 2.10 and 3.4)

Upon request, PUC provided updates regarding the number of recent and anticipated graduating students. A total of 85 undergraduates graduated in fall and winter 2020. Another 161 undergraduates were anticipated to graduate in spring and summer 2021. PUC reported preliminary spring 2021 enrollment of 842 students. Disaggregating these data by class level revealed that seniors (345) comprised 41% of the enrolled students, followed by juniors (22%), sophomores (18%), and freshmen (15%). This top-heavy enrollment distribution suggested that PUC would need to significantly increase the number of new students to offset the graduating classes of 2022 and 2023, and strengthen year-to-year retention of continuing students. (CFRs 2.10 and 3.4)

Enrollment Strategies

In January 2020, PUC hired a vice president for enrollment, marketing, and communication with experience in enrollment services at other Adventist institutions. Conversations with this individual indicated that in the first 12-14 months, many adjustments had been made in PUC's recruiting and admission conversion strategies. These changes included more strategic use of online and digital

advertising and social media, concentrated communication efforts with prospective students and their families, and closer tracking of data through key stages of the admissions/enrollment funnel. (CFRs 3.1 and 3.4)

Through the report and interviews, enrollment leaders demonstrated a keen awareness of the declining enrollment trends at other Adventist colleges throughout the region, the increased competition for new students among private and public colleges and universities, and the challenges of articulating the value of a PUC education to prospective students and their families. During interviews, enrollment leaders shared that the National Student Clearinghouse data-matching services revealed that most admits who had not accepted an offer of admission from PUC had enrolled at community colleges or public universities (CFR 4.7).

On the heels of the Turnaround Plans 1.0 and 2.0, campus leaders had developed a long-range vision of strategies that must be implemented in order to improve enrollment. These strategies were described in *A Vision for Our Future, 2021-2025* (Vision 2021). The team received a draft version of this document during the visit (04/14/21). The vision was organized around the following four key initiatives:

1. Academic Offerings – revitalize the liberal arts curriculum to build and expand upon its most popular degree programs.

2. Angwin Campus – stabilize the on-campus enrollment at 1,200.

3. Education Centers (satellite campuses) – offer courses, internships, clinicals, certificates and degree programs at sites throughout the Pacific Union (Utah, Nevada, Hawaii, and Central and Northern California). Establish one or two sites per year (likely near Adventist schools and health partners) until reaching approximately 10-15 sites.

4. Online Offerings – deliver online courses and degree programs, beginning with some general education courses, an approved Registered Nurse to Bachelor of Science in Nursing (RN-to-BSN) degree program, and potentially a Master's in Business Administration (MBA) program in fall 2021.

Many of the concepts described in the Vision 2021 document were reflected in material presented previously to the PUC board in February and to two partners regarding online and satellite campuses (*PUC Vision Update February 2021*). However, based upon team interviews, it appeared that

the full Vision 2021 draft document had not been widely shared with PUC faculty or staff. At the time of the visit, Vision 2021 did not appear on the PUC website, although a web address (puc.edu/vision) was included in the document and may have been under development. (CFRs 2.1, 3.5, and 4.6)

Were these four initiatives successfully implemented, PUC would likely achieve a significant transformation. It remained to be seen whether PUC would be successful in each of these areas and at the intended pace. At the time of the visit, the first satellite campus had not been decided nor announced. Interviews yielded no specifics regarding academic offerings at the satellite campuses, and recruiting had not begun.

Aligning Enrollment Projections and Budget Forecasts

In February 2020, the Amended Admissions Strategic Plan projected a fall 2020 headcount of 1,050. Actual enrollment was 966 and celebrated in a campus update as the first enrollment increase that PUC had seen in six years. While the team acknowledged the importance of a modest enrollment gain, it is important to note that PUC missed its fall 2020 headcount goal by 8%. At the time of the visit, enrollment leaders projected a fall 2021 headcount of 1,081 which included projections for new students (at Angwin and at satellite campuses), as well as returning and continuing students. As noted above, the projected counts for new students appeared to be the most optimistic, and based on prior trends, the team was not as optimistic. (CFR 3.4)

During interviews with team members, enrollment leaders and members of the President's Cabinet conveyed enthusiasm and confidence that recently implemented and future strategies would result in rapid enrollment growth. Prudently, finance leaders had adjusted fall 2021 enrollment assumptions downward, using 960 headcount as the basis for fall 2021 tuition revenue forecasts. Year over year, this represented an assumption of flat enrollment (fall 2020 to fall 2021). With no margin for error, it would be crucial for the enrollment and finance leaders to continue their careful enrollment monitoring and adjustments to budget assumptions into the start of the fall 2021 term. Thus, the team

recommended that PUC meet enrollment goals for recruitment and retention in order to generate

sufficient net revenues to create a sustainable financial position. (CFR 3.4)

D.   Board Engagement and Monitoring

The PUC board had taken the Commission Action Letter of July 20, 2018 and the formal Notice

of Concern, March 6, 2020, seriously as exhibited in their actions and monitoring of the college. (CFR

3.9) In PUC's Progress Report dated March 31, 2020, the following board actions were noted.

- The board voted that the student-to-faculty ratio be adjusted from the fall 2019 ratio of 9:1 to a ratio of 15:1 by fall 2020, but upon the recommendation of the administration the board adjusted the ratio goal to 17.25:1. This action resulted in a reduction of full-time faculty to 72 from the previous count of 89 faculty, however as noted below, the ratio change was 14.3:1.

- The board approved, upon recommendation by PUC's Academic Senate, the addition of three new academic programs with the goal of increasing student market opportunities which would help increase enrollment.

- The board approved reductions of 4.0 FTE staff members.

- An Early Retirement Incentivized Plan (ERIP) was approved by the board and presented to all college employees in March 2020 as a strategy to gain voluntary reduction among faculty as a strategy to meet the goal of increasing student-faculty ratio. This action, while accepted by some faculty, did not fully achieve the goal of increased student-faculty ratio and according to the progress report, March 31, 2020, the ratio moved from 9.3:1 to 14.3:1, rather than the original goal of 15:1 or the approved goal of 17.25:1.

- With board support, the Pacific Union Conference of Seventh-day Adventists voted on March 19, 2020 to extend a line of credit to PUC in the amount of $9.5 million for the 2020-2021 academic year in order to cover the deficit budget projections of PUC.

- The board established the Ad hoc Turnaround Plan Advisory Committee (Ad hoc Advisory Committee), made up of five board members, to facilitate board oversight of PUC's finances and turnaround plan and to enhance direct communication with the board.

With the establishment of the board's Ad hoc Advisory Committee, the board also established a set of

functions to facilitate monitoring, and instructed the administration to provide access and necessary

information as requested by the committee. The board's charge to the Ad hoc Advisory Committee

included the following five areas:

- Seek avenues to reduce deficits. This included restrictions on travel, reduction of outside consultants, a freeze on new hires, review of employee benefits and departmental

expenditures, implementation of the approved faculty and staff reductions, and establishment of prior approval for capital asset acquisitions over $5,000.

● Develop metrics to ensure the success of the board-voted Turnaround Plan 2.0. This directive included targeted timelines for reaching goals in enrollment, retention, fundraising, and faculty/staff reductions; the development of triggers to implement contingency plans if goals were not being met; weekly reporting to the board of enrollment, fundraising, and cash flow.

● Seek additional areas to be included in the Turnaround Plan 2.0. A review of all academic programs for costs, enrollment, and projected future enrollment and a review of the number of employees for each area to effectively serve students.

● Create contingency plans to consider restructuring, reviving, eliminating, or monetizing unprofitable cost centers of the college's auxiliary enterprises.

● Recognizing that the Turnaround Plan 2.0 required long-term vision, the board would receive and consider a long-term vision for PUC, developed by the college administration, no later than fall 2020.

The team noted in its review of the board's actions and confirmed in its interviews that the board sought to increase its engagement with and monitoring of the college, its operations, and its progress toward achieving the college's turnaround and vision plans. The board's strategies provided evidence of their serious response to the Commission's previous two action letters. Additionally, the team heard in its interview with the board and other college personnel the deep commitment of the board to PUC, its mission, and its future. The history of the close and intertwined relationship between the college and the church, particularly in this geographical area, was clear and strong throughout the sessions with the board, the board chair, and officials from the Pacific Union Conference for the Seventh-day Adventist Church. (CFR 3.9)

However, in the context of these strong relationships, the Pacific Union Conference's debt funding history, their Letter of Credit of financial support, and the action of the board to effectively monitor the progress on the Turnaround Plan 2.0, the team discovered through its interviews that the well-intended monitoring and communication designs specified by the board for the Ad hoc Advisory Committee had moved into a practice of more direct supervision of college administration. The unintended result of this practice was operational confusion, uncertainty in the lines of authority and

responsibility, and a redirection of administrative activity away from the Turnaround Plan 2.0 and toward the individual requests of the Ad hoc Advisory Committee members. While the impact of these challenges upon individual President Cabinet members varied across the college's leadership, the uncertainty regarding the leadership and management role of the board was also raised in the team's interview with the broader faculty and staff. Additionally, in the team's review of the board's charge to the Ad hoc Advisory Committee in the Progress Report of March 31, 2020, the operational and management practices by the committee, as described by college administration, faculty and staff, exceeded the stated monitoring and communication framework presented in the Progress Report, thus confounding administrative authority, priority, and responsibility. Therefore, the team recommended that PUC dissolve the Ad hoc Turnaround Plan Advisory Committee, beginning with the new president's term, in order to facilitate a successful leadership transition. (CFRs 3.6, 3.7, and 3.9)

During the team's interviews, faculty and staff expressed low levels of trust and confidence in the board's record of presidential selections of the past three presidents of PUC. In this regard, faculty and staff expressed concerns about whether the board possessed sufficient expertise in higher education and financial matters to select, evaluate, and support a successful presidency sufficient to meet the significant financial challenges and achieve the turnaround vision for the future of the college. Thus, the team recommended that PUC diversify board composition to add expertise in the areas of higher education and finance. (CFR 3.9; WASC Governing Board Policy)

E.   Use of Direct Evidence to Assess Student Achievement of WISDOM Outcomes

According to its report, each of PUC's Institutional Learning Outcomes (with an acronym of WISDOM) focused on students upholding the highest standards and serving others by promoting and modeling the following:

- Wholeness: PUC graduates will make mature, independent choices integrating the needs of body, mind, and spirit;

- Integrity: PUC graduates will live lives based on the highest ethical standards;

- Service and Stewardship: PUC graduates will practice the Biblical imperative to serve humanity, resist injustice, and care for the created world;

- Diversity: PUC graduates will display intercultural competence and understanding as informed members of a dynamic global church and world community;

- Our Adventist Heritage: PUC graduates will understand and value the major tenets of the Seventh-day Adventist Christian thought, including the blessing and significance of the Sabbath;

- Maintaining Lifelong Learning: PUC graduates will continue to practice the intellectual skills, curiosity, and creativity necessary to live lives of useful human service, both personally and professionally. (p. 25)

PUC's original assessment process involved asking students to respond to essay prompts that evaluated how well PUC achieved goals associated with the ILOs. In response to Commission recommendations, PUC invested time, energy, and resources to revise its assessment of the WISDOM outcomes. By sending one of its associate deans to the WSCUC Assessment Leadership Academy, PUC was able to produce a more effective essay to which students could respond. According to PUC's institutional report, conversations with assessment staff, and review of ILO reports, the new essay prompts focused on students' own reported learning, behaviors, and experiences, rather than critiquing the actions taken by PUC to help students achieve the WISDOM outcomes. (CFRs 2.2 and 2.4)

Conversations with the Assessment Committee indicated that the new student-centric prompts were producing rich feedback to which PUC could respond. Specifically, narrative feedback was analyzed by a member of the faculty qualified in qualitative research who identified common themes from the student responses. When asked how data was shared, the Assessment Committee indicated that results were reported to the broader community (e.g., during College Assembly) and through unit-specific reports that were generated based on the qualitative feedback from students. In some cases, policies changed; in others, simple adjustments to student life took place. Examples of both were provided during the interviews. (CFRs 2.2, 2.3, 2.4, 2.11, and 4.4)

While the new prompts did not address curricular effectiveness directly, all academic programs also assessed relevant ILOs, collecting and analyzing evidence through the program review process. At the time of the visit, the student essay data was not disaggregated by program to inform curricular adjustments; however, if an academic theme emerged from the data, it was shared with appropriate departments. (CFRs 2.7 and 4.4)

A concern expressed by PUC in its report and at the visit was that each student cohort was assessed independent of other cohorts due to the fact that a thematic, qualitative analysis was conducted. As part of the discussion, it was suggested that if the understanding of, as well as the perceived level of commitment to, each WISDOM outcome could be ascertained from the reading of the essay, then PUC might consider the use of rubrics as one aspect of its analysis. Given the quantitative nature of rubric data, comparisons across the years could be made. (CFRs 2.2 and 4.1)

While the adjustment of the prompts away from an evaluation of PUC's actions to a reflection on students' own experiences provided more robust data with which to work, the use of student reflection was still primarily a form of indirect assessment. In conversations, the assessment staff acknowledged that the new prompts developed by PUC could accurately gauge students' understanding of the WISDOM values, but they could not directly assess students' behaviors or commitments because the prompts relied on student self-report rather than direct observation. This fact did not nullify the efficacy of the assessment process, but the team suggested that the results should be reviewed with this caveat in mind. A brief conversation at the time of the visit revealed that PUC was beginning a conversation about the relevance of the WISDOM outcomes. New ILOs (if needed at all) could be written in such a way as to be more precise and directly observable. Overall, it was evident that PUC had created a more useful practice and process for assessing its WISDOM ILOs. (CFRs 2.2, 2.6, and 4.4)

F.   Institution-Wide, Regularly Scheduled Performance Reviews for all Staff and Administration

At the time of the visit, the college had engaged in a seemingly collaborative process of creating comprehensive performance review documents for its staff. With active participation by the Cultural Engagement Taskforce (CET), which encompassed broad representation from across the campus, PUC identified four core values that described the preferred culture at the institution. These values were Teamwork, Integrity, Professionalism, and Service (TIPS) and represented PUC's foundational values and cultural relationships expectations. The assessment of an employee's commitment to TIPS, along with elements of each job description, were to be incorporated into the performance review system and evaluated in its senior leadership, staff, and faculty. While staff would be engaging in a completely new review process, the faculty evaluation process was not being changed. Instead, items on the course evaluation and peer review forms were being updated to incorporate the behavioral elements associated with TIPS, as well as diversity, equity, and inclusion items. At the time of the visit, the updates to the faculty documents were still in process. (CFR 3.2)

In a conversation with Human Resources staff, they shared that a simpler version of PUC's performance review was being utilized in 2020-21 and was due for submission by each supervisor on June 30, but the more comprehensive version, which included goal setting, self-evaluation and a supervisor evaluation, had not been shared with the community nor implemented. Conversations with key personnel indicated that a plan was in place to educate the community about TIPS and the new process beginning in the fall. Given the tenuous morale of its employees, the team suggested that PUC thoughtfully consider how performance evaluation data would be utilized, beginning as a feedback mechanism, before moving into its future plans of using performance data for salary adjustments and employment decisions. (CFR 3.2)

G.   Structured Professional Development for Faculty and Staff

The institutional report documented college-wide professional development opportunities for

faculty and staff, as well as a continuous improvement orientation evidenced in the college's efforts to

be responsive to shifting professional development needs within a context of significant financial

constraints. (CFR 3.3)

Faculty Development

According to both the report and the team's conversation with members of the Faculty

Development, Research, and Honors Committee (FDRHC), prior to 2019, PUC faculty were primarily

resourced and developed through access to professional development funds that could be used for

professional memberships, purchasing professional development equipment or materials, and

conference attendance. The report also documented that prior to 2019, faculty academic advisor

training was minimal, consisting of an hour-long annual meeting that focused primarily on updates,

policies, and current generational concerns. (CFR 3.3)

After 2019, professional development stipends were cut significantly due to budget limitations,

and in 2020, faculty were asked to restrict their spending to only what was necessary for maintaining

professional memberships and satisfying accreditation requirements. However, internal training for

faculty was increased, including a shift to a more robust faculty advisor development program.

Additionally, a new faculty development plan was implemented that focused on WSCUC Core

Competencies, which PUC had adopted, through a series of Faculty Forum events. While these events

were initially intended to focus on critical thinking in 2020 and information literacy in 2021, some of the

Faculty Forum topics understandably shifted to focusing on online instruction and technology support in

response to the pandemic and the shift to remote instruction. (CFR 3.3)

PUC's focus on teaching was reflected in the absence of professional publication or presentation

requirements for faculty, but the college did honor faculty who engaged in research and scholarship

with financial awards. (CFR 2.8) Using its limited resources on awards for research rather than on

professional development opportunities focused more specifically on teaching and learning could be

viewed as a misalignment between the college's values and its allocation of resources. (CFR 2.9)

However, many of the other post-2019 faculty development plans and programs described in the report

did seem appropriate in focus, as well as responsive to current realities. Moreover, the review team's

conversation with the FDRHC provided additional insights into how the college identified and responded

to faculty development needs. For example, surveys were used to solicit input on topics that faculty

would like to be the focus of training sessions. Teaching evaluations were also reviewed to uncover

student perceptions of faculty development needs. Professional development training that focused on

pedagogy included programming on how to integrate experiential learning into the classroom. The

college also recently made diversity, equity, and inclusion (DEI) training a priority, as evidenced in a

campus colloquium for faculty and staff led by a cultural competency trainer and the hiring of a DEI

consultant who met with various committees in order to help the college implement strategies for

ensuring an inclusive environment. (CFRs 1.4 and 3.3)

   The degree to which faculty development programming was successful at PUC was not clear

from the report, which did not describe how these programs were assessed. However, based on

conversations with the FDRHC, attendance and active participation in events were viewed as evidence of

success. The committee had also attempted to examine student work products to determine whether

training led to positive outcomes and if additional or different training was needed. For example,

student artifacts that focused on WSCUC Core Competencies had been analyzed in an effort to

determine what the continued professional development needs were around teaching the core

competencies more effectively. Similarly, with the colleges' WISDOM ILOs, student essays were analyzed

and information about student responses were sent to relevant programs and instructors so that they

could use that data to make improvements to the ways they taught specific aspects of WISDOM. (CFRs 4.3 and 4.4)

The report explicitly acknowledged that given the emergency shift to remote instruction, online learning had not been assessed as of the writing of the report, so it was unclear how successful the remote delivery trainings were in preparing faculty to teach online. Because the college planned to increase its online offerings, the review team followed up with the FDRHC about the professional development initiatives that would be needed to support the development and delivery of online courses programs. The committee reported that the informal feedback they received from faculty indicated that the training had been helpful and productive. The committee was also optimistic about the college's capacity to continue to develop faculty's competencies in online teaching and learning, highlighting the expertise of a faculty member with instructional design and faculty development experience who had recently assisted with training faculty to teach online. The committee maintained that this faculty member had the interest and capacity to help the college move beyond the "triage" strategies that characterized the recent move to online learning to a more intentional and robust approach to training faculty and developing courses and programs that integrated best practices in online teaching and learning. (CFR 3.5) They also mentioned pursuing grant funding to support these efforts as well as re-engaging the "field leaders," a train-the-trainers strategy they had used in the recent transition to remote learning, in which field leaders researched online best practices and created training materials for peers in their disciplines. (CFR 3.3)

In contrast to the optimism of the FDRHC, the review team found that faculty were far less optimistic, and many were decidedly concerned about their ability to provide the expanded high-quality online programs articulated in the college's Vision 2021 plan. As one faculty member explained, with the shift to remote instruction due to the pandemic, most faculty were actually "teaching in-person classes online," making a distinction between their current work-around approach to the temporary conditions

caused by COVID and high-quality courses and programs that were designed to be delivered online.

Several expressed skepticism that administration understood both the amount of work it took to create

high-quality online courses, as well as how much time and resources would need to be invested into

faculty professional development in order for the faculty to be able to develop and implement online

courses and programs. Faculty did not view the remote instruction training they had received nor their

experience teaching online since the advent of the pandemic as a substitute for the training they would

need to be able to develop and deliver the kinds of online programs the Vision 2021 plan outlined. (CFRs

3.3 and 3.5)

Staff Development

The report documented a wide-range of professional development opportunities for staff and

administrators, from low-resource, intensive monthly "Five-Minute Manager" emails to contracting out

with consultants for diversity, equity, and inclusion training for the entire campus community. The

content of the training opportunities listed in the report was also varied, including emergency response

training, training focused on professional conduct, and initiatives designed to build community and

engagement. It was not clear from the report how staff development needs were identified or whether

the institution had a staff development plan that guided the selection, sequencing, and delivery of staff

development programs. It was also unclear how data from staff development initiatives was collected

and used to make decisions about which programs to continue, revise, or discontinue. (CFRs 3.3 and 4.3)

In conversations with the team, several staff members indicated that there were a variety of

professional development opportunities for staff to avail themselves of, and that they generally felt

satisfied with them. Staff members reported being given opportunities to pursue degrees, licenses, and

certificates appropriate to their positions and to attend conferences relevant to their jobs. Some

participants noted that the pandemic had made many professional development opportunities more

widely available to more people since they were online and less expensive, given the lack of travel costs.

It was also noted that human resources (HR) had offered a number of training sessions on a variety of topics to the campus community as well. Diversity training was highlighted as an example of an all-employee training that garnered widespread attendance and active participation. (CFR 3.3)

Fatigue from COVID, the fires, and heavy workloads due to staff cuts were identified as factors that had recently interfered with staff members' ability/desire to participate in training programs. Several staff members agreed that the academic year had been particularly hard, and as a result, they had attended fewer training sessions than usual. As one person put it, "I don't have anything left to give." Another participant pointed out that they attended a particularly good training session that had low attendance. Although the low attendance was disappointing, the training was also recorded and made available for people to view asynchronously, which was highlighted as a helpful option for many busy staff members. (CFRs 3.2 and 3.3)

In sum, the team's review determined that PUC demonstrated its commitment to continuous improvement by providing faculty and staff with a variety of professional development opportunities. The review also suggested that the college was not assessing many of its professional development offerings in order to determine their effectiveness in achieving specific outcomes and to develop ideas for improvement. Finally, the expansion of online courses and programs described in the Vision 2021 plan had raised significant professional development concerns among the faculty, many of whom indicated that they felt unprepared to carry them out. (CFRs 3.3 and 4.3)

H.   Address College Challenges in More Transformative Ways

The Commission criticized PUC for approaching their revenue/enrollment crisis with business as usual strategies, and PUC was slow to respond to the feedback, first using staff and budget cuts to attempt a balanced budget. However, at the time of the visit, PUC had engaged two new strategies that had the potential to be transformative. They had made significant shifts in staffing, namely hiring personnel with the competence to address its major issues (e.g., enrollment and marketing), and also

infused a sense of urgency at the executive leadership and board levels. Additionally, while the satellite campuses and online programs carried risk, the team acknowledged that they represented a strategic break from PUC's traditional strategies and had the potential to be transformative. (CFRs 3.1, 3.4, 3.5, and 4.7)

SECTION III – OTHER TOPICS, AS APPROPRIATE

Not applicable.

SECTION IV – FINDINGS, COMMENDATIONS, AND RECOMMENDATIONS

Based on review of the institutional report and its appendices, supplemental materials received from PUC before and during the visit, and multiple, extensive conversations with the PUC community, the team issued the following commendations and recommendations.

Commendations: The team commended PUC for the following:

1. Engaging candidly and transparently with WSCUC team members throughout the visit.

2. Moving with a sense of urgency regarding the college's financial sustainability by reducing operational costs and increasing efficiencies.

3. Demonstrating fortitude to ensure continued fidelity to the PUC culture and value system of the Seventh-day Adventist Church.

4. Demonstrating, through their faculty, a commitment to students during a period of unprecedented challenges, including COVID, reductions, and fire evacuations.

5. Creating a more useful practice and process for assessing its WISDOM ILOs.

Recommendations: The team recommended the institution respond to the following issues:

1. Dissolve the Ad hoc Turnaround Plan Advisory Committee, beginning with the new president's term, in order to facilitate a successful leadership transition. (CFRs 3.6, 3.7, and 3.9)

2. Diversify board composition to add expertise in the areas of higher education and finance. (CFR 3.9)

3. Enhance the board's expertise regarding its roles and responsibilities through training and development efforts for both new and continuing members. (CFR 3.9)

4. Secure written confirmation of funding commitments necessary to address operating deficits through the transition period to a balanced budget, and eliminate deficits by FY24. (CFRs 1.5 and 3.4)

5. Produce and implement a viable plan for repayment of outstanding debt. (CFRs 1.5 and 3.4)

6. Meet enrollment goals for recruitment and retention in order to generate sufficient net revenues to create a sustainable financial position. (CFR 3.4)

7. Improve regular communication and increase active collaboration between the PUC administration and faculty related to the development of curriculum and assessment of academic quality, including development of courses and programs for new locations and modalities. (CFRs 2.4, 3.5, 3.10, and 4.7)