

REPORT OF THE WSCUC TEAM  
SPECIAL VISIT

To the California Institute of Integral Studies  
February 21 – 23, 2018

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

## TABLE OF CONTENTS

	PAGE
SECTION I - OVERVIEW AND CONTEXT	
A. Description of Institution and Visit	3
B. Description of the Team Review Process	4
C. Quality of the Special Visit Report and Supporting Evidence	5
SECTION II – TEAM ANALYSIS OF THE ISSUES	
A. Financial Strength and Sustainability	5
B. Strategic Planning	10
C. Leadership	20
SECTION III– FINDINGS, COMMENDATIONS, AND RECOMMENDATIONS	
A. Broad and Overarching Issues	22
B. Areas of Strength of the Institution	22
C. Team Recommendations for CIIS	24
APPENDICES	
Appendix 1: History of Unrestricted Net Asset Changes	
Appendix 2: Composite Financial Index for CIIS	
Appendix 3: U.S. Department of Education Financial Responsibility Composite Score for CIIS	

## SECTION I – OVERVIEW AND CONTEXT

### A. Description of the Institution and its Accreditation History

The California Institute of Integral Studies (CIIS), founded in 1968 as the California Institute of Asian Studies (CIAS), was incorporated separately in 1974 as a graduate school. In 1980 CIAS changed its name to the California Institute of Integral Studies (CIIS) and in 1981 was granted initial WASC accreditation. In 1993, CIIS added a Bachelor's degree completion program and in 2015 the American College of Traditional Chinese Medicine (ACTCM), founded in 1980 as a private, independent graduate school, was merged with CIIS as ACTCM at CIIS.

CIIS offers their curriculum through four schools: the School of Undergraduate Studies (SUS) with one completion program; the School of Consciousness and Transformation (SCT) with 13 master's and 16 doctoral degrees; the School of Professional Psychology and Health (SPPH) with 9 master's degrees and 1 doctoral degree; ACTCM with 1 master's and 3 doctoral degrees. Enrollments in these programs have fluctuated over the last 4 ½ years with a net enrollment decrease of 118 students and a net decrease of 640 units (SV Institutional Report: Exhibit 1.3 CIIS Enrollment.)

From its initial accreditation by WASC in 1981 to the present, CIIS has had a varied history with the accreditation process. A WASC team visited CIIS for a Capacity and Preparatory Review (CPR) in March 2006 and the Educational Effectiveness Review (EER) in 2008. These reports were received by the WASC Commission and subsequent reaffirmation visits were scheduled for spring 2016 and fall 2017. An Interim Report was requested in the 2008 visit and was conducted and accepted in July 2012. Due to the new WASC Senior College and University Commission (WSCUC) accreditation process the previously scheduled CPR and EER visits were rescheduled

as the Offsite Review and Accreditation Visit (AV) for 2016. This visit resulted in WSCUC's finding CIIS in noncompliance with WSCUC Standard 3 and acting to continue accreditation and issue a Warning. A Special Visit (SV) was scheduled for spring 2018 to address financial strength and sustainability, strategic planning, and leadership.

From February 2013 to January 2017 a number of substantive change proposals have been submitted by CIIS. Two of these proposals have been for new doctoral degrees. The PhD in Human Sexuality, which was initially denied, was approved in June 2013. Approval for a new degree for a Doctorate of Acupuncture and Oriental Medicine (DACM) was granted in November 2014 upon the merger of CIIS and ACTCM. The DACM is being reviewed for initial accreditation by the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM) in March 2018. ACAOM had previously accredited the MS of Traditional Chinese Medicine. Another substantive change review was submitted to WSCUC in December 2014 for a Joint MFA in Theatre Performance Making with the University of Chichester (UK). This change was initially denied but was granted in March 2015. From May 2015 to January 2017 substantive change reviews were submitted and approved for distance education in PhD Transpersonal Psychology, a MA in Philosophy and Religion, a MA degree in Counseling Psychology, and an online proposal for a MA in Integrative Health Studies. The clinical psychology program was accredited through the American Psychological Association (APA) from Fall 2003 through the summer of 2012. This accreditation was withdrawn because of concerns regarding curriculum, assessment, and student success. CIIS has determined to offer the program as a "niche" unaccredited program.

#### B. Description of the Team Review Process

This SV was conducted through an initial review of the SV Institutional Report and supporting appendices and exhibits. The SV team, through their conference call, identified essential additional documents. Some of these documents were provided to the team prior to the visit and some were provided on a flash drive during the site visit. During the site visit, the SV team conducted interviews with CIIS leadership, staff and board of trustee members including several students/alumni who serve on the faculty, staff, and board.

#### C. Quality of the Special Visit Report and Supporting Evidence

The SV Institutional Report submitted by CIIS was organized around the three issues identified by the WSCUC Commission Action Letter: financial strength and sustainability, strategic planning, and leadership. The report identified the actions taken by CIIS and results of these actions. The report, and verification at the subsequent site visit, demonstrated that CIIS had placed considerable emphasis on financial strength and sustainability as well as leadership issues. Strategic planning was described by CIIS as a work in progress. Evidence obtained through the site visit aligned with the SV Institutional Report, although at times the report alluded to historical events without fully describing them; for example, the structural issues which led to the financial shortfall and the presidential search outcome. In other instances CIIS had accomplished more than was evident in the SV Institutional Report.

### SECTION II – TEAM ANALYSIS OF THE ISSUES

#### A. Financial Strength and Sustainability

CIIS, with the exception of Fiscal Year (FY) 2012-2013, has had small but consistent increases to their unrestricted fund balance or Operations each year, which represents the primary measurement of fiscal health (see appendix 1: History of Unrestricted Net Asset Changes.)

Unrestricted net assets are the driver for most of the key ratios used when determining the overall fiscal health of non-profit institutions, banking covenants, and for the required U.S. Department of Education Financial Responsibility Composite Score. Total Net Assets have increased from \$7.0 million to \$8.8 million over this same period, due primarily to increases in Temporary and Permanently Restricted gifts and grants.

In response to an SV team request, the institution voluntarily ranked its fiscal performance through the use of the Composite Financial Index (CFI) scoring tool (unrelated to the Department of Education Financial Responsibility Composite Score,) which measures the overall fiscal health of the institution based upon four key calculations with various weightings (see appendix 2: CFI Score for CIIS.) A CFI score of 3 is considered the minimum threshold of institutional financial health, while a score of less than 3 indicates a need for serious attention to the institution's financial condition. For the past four years CIIS has been below the minimum threshold of 3, with scores ranging from a high of 2.5, and a low of -1.1, with FY 2016/17 at 0.4, which translates to a ranking of "Assess Viability to Survive". These scores will continue to hover within these ranges until stronger unrestricted surpluses, amongst other things, become routine. This score and the corresponding rankings should be used in future reporting and strategic planning by the institution. Providing this score and its meaning to the Finance/Audit Committee of the board of trustees will create additional transparency. It is recommended that the CFI score be employed annually to gauge the financial health of CIIS (CFR 3.4.)

The required U.S. Department of Education (ED) Financial Responsibility Composite score for CIIS (see appendix 3: U.S. Department of Education Financial Responsibility Composite Score for CIIS) has also been calculated for the FY 2016-2017, with a score of 1.6, putting it just above the financially responsible threshold "Zone" of 1.5 required by the ED. By staying above this

threshold, CIIS will continue to receive Federal Financial Aid funds without any additional monitoring and intervention from the ED. Currently CIIS performs this calculation each year, and the results are shared with the board of trustees Finance Committee.

The SV team did follow up on the FY 2015-2016 downturn in enrollment and the financial aid awarding errors which resulted in the previous budget shortfall of \$2.2 million, as mentioned in the previous WSCUC AV report. The financial aid awarding issue was determined to have been related to the merger with ACTCM and is considered to be a one-time only error made by CIIS. The drop in enrollment which took place was greater than expected and existing reserves were not sufficient to offset the loss amount. In order to offset the negative \$2.2M budget impact, CIIS began to immediately reorganize their existing structure. Substantial reductions made to the faculty and staff compensation and benefit line items (including the elimination of contributions to the retirement plan), greater controls over their own spending, and stronger overall accountability through increased reporting structures allowed CIIS to end the year in question with a small unrestricted surplus of \$44,718. Progress toward coherent integration of the strategic plan and financial management has begun at CIIS, as outlined in their SV Institutional Report and as evidenced throughout the site visit (CFR 3.4.)

A three-year budget plan and projection model has been developed in keeping with the revised strategic plan and links budget targets to enrollments and staffing costs. The model now provides CIIS the tools needed to test each of their proposed initiatives and determine the various fiscal outcomes. Included in the budget model are board mandated contributions to reserves and a built-in contingency allowance of 2% for enrollment shortfalls, along with conservative and realistic estimates when compared to previous years. The revised three year model is currently forecasting profitable operations at FY 2017-2018 with unrestricted budgeted reserves of

approximately \$605,000, which represents a significant increase when compared to previous years. As of the date of this report, and as evidenced by reports provided by the Administrative team, CIIS remains on track to meet this target. The board Finance Committee members were asked if they had confidence in CIIS meeting the current year budgeted surplus, and the members interviewed fully believe that the targets will be met. The Finance Committee members expressed great confidence in the newly formed reports and the transparency with which they are now presented. If the current year projection and the following two year budgeted targets are met, this would mark a significant move towards financial stability (CFR 3.4.) In addition to improved overall reporting there is also weekly monitoring of enrollment projections by the key stakeholder groups which take place throughout early fall, spring, and summer semesters. Any necessary updates are incorporated into the tuition revenue projections and this information is then shared with the larger stakeholder groups to keep them apprised of budget to actual performance. The development of the budget model now follows a formal best practice and includes the key stakeholders including the Institutional Planning and Budget Committee (IPBC), board Finance Committee and key staff members. After its final review the budget is presented to the board for deliberation and adoption at the May Board of Trustees meeting. Once approved the changes are incorporated into the budget software system and distributed to the stakeholder groups. The President's Cabinet and the IPBC meet regularly throughout the year to monitor progress on the strategic and financial goals of the institution (CFR 3.4.) In addition to implementing the new budget model, CIIS has also improved its fiscal monitoring and oversight through a variety of venues. School specific academic budgets have been developed and are reviewed and supervised by the respective academic deans, enforcement of a minimum class-size policy including cancellation and/or combining of classes has been initiated,



and newly formed financial statements and budget to actual reports are presented. These reports have greater levels of detail by expense classifications and have increased the ability of budget managers to control and monitor their respective budgets. By implementing these changes CIIS has made strides towards ensuring that the revised budget plan and its progress will continue to be monitored by administration, the institutional finance committee, and academic leadership. These are important steps and will allow for a thorough review and discussion of the projected available resources and any possible reductions of expenditures necessary in order for the institution to move forward and meet its most important operating demands and educational commitments (CFR 3.4.)

The campus technology (IT) infrastructure has been fully out-sourced since the last WSCUC visit. According to CIIS leadership, this has created an immediate increase in terms of on-ground support and has brought much needed systemic resources to meet the existing and future requirements of the institution. This expense is appropriately accounted for in the budget model, with additional allocations being made in this vital area in the future three-year periods as outlined in the “CIIS Long-Term IT Projects & Investments” spreadsheet provided to the SV team. Various training sessions for faculty and staff as well as updates to workstations, upgrading of wireless at various locations, and implementation of remote access to the advising module are now scheduled and prioritized (CFR 3.5.)

The low salary scale at CIIS poses a potential sustainability issue for administration, faculty and staff, especially given the high cost area surrounding the institution. Taken from the CIIS SV Institutional Report, “Plans for Further Action” the SV team noted the following:

“CIIS’s leadership recognizes the value and importance of its faculty and staff and the need for action to improve compensation and benefits. A plan for the restoration of faculty steps and the reinstatement of annual cost of living increases is being developed,

along with a review of current best practices for 401(k) contributions.” (SV Institutional Report, page 12)

This plan should continue to be a priority for the CIIS leadership and the board of trustees and should be given significance within the three-year budget model as the school makes its way towards fiscal health. Without improving salaries and restoration of the retirement contributions, there will continue to be additional sustainability challenges to overcome (CFR 3.4.)

The institution, as it is currently operating, appears to be working in the right areas in order to bring its operations back into financial alignment. CIIS understands that financial stability and long-term viability will only occur when there have been several years of strong unrestricted net asset increases. CIIS has shown resolve by their quick response to the FY 2016-2017 financial crisis and have accomplished a great deal in a short time frame. CIIS will need to continue to modify its three-year budget model to ensure that alignment of their limited resources are appropriately allocated first towards the most necessary of expenditures. It is suggested that this type of information continue to be shared with the IPBC, Presidents Cabinet, and the board of trustees on a frequent basis to continue with the fiscal health transparency theme. While the institution is not in a position of strong financial stability and viability, the available resources at hand are now being accounted for correctly and are aligning with CIIS’s educational purposes and objectives.

#### B. Strategic Planning

The WSCUC Action letter states:

“In addition to developing a viable financial plan, CIIS must also develop a strategic plan defining the future direction of the institution. This plan must align short term and long term financial, academic, and operational goals. The Commission expects evidence that these planning efforts will result in more effective integration of efforts across programs and departments, related to budgeting, faculty development and support, CIIS’s commitment to diversity and inclusion, and especially in relation to ACTCM.” (WSCUC Action Letter, April 13, 2017.)

CIIS was in the second year of a five year strategic plan when the WSCUC reaccreditation team visited in November 2016. Immediately following the Accreditation Visit (AV) and before CIIS received the WSCUC Action letter which put the campus on Warning, the then interim president held an all-day community planning workshop for faculty and staff, facilitated by a professional consultant (SV Institutional Report, Exhibit 1.1.) This action illustrates the interim president's commitment to operating with integrity and high performance by making the interim president and institution accountable for remedying the issues raised during the AV (CFR 3.6.) In March 2017, CIIS convened a small core group of individuals, comprised of 13 administrators and board members along with a former student with strategic planning expertise, to develop a strategic plan that was in line with their three year forecasting model for financial strength and sustainability. Two other groups were formed: one group to create a three year Strategic Initiatives Document developed by seven administrators, and a second group to focus on the Strategic Brand Analysis document, created by a mixed group of 11 administrators, faculty, staff, and students (CIIS Strategic Planning Group document). CIIS notes that the core planning group worked well into Fall 2017 and that their work was supplemented by the parallel activities undertaken by the three year Strategic Initiatives Group to identify shared academic priorities; no faculty were included in either group (CFR 3.10).

The SV Institutional Report outlines the following academic priorities and persons responsible for leading efforts in each of the following domains: Diversity and Inclusion, Academic Leadership, Revised Program Structures, Approval and Review Processes, Admissions and Marketing Communications, and Assessment (SV Institutional Report, pages 14-15.) All of these efforts will be led by administrators and members of the board, with the exception of the Approval and Review Process which will include co-leadership from faculty on the Curriculum

and Academic Review Committee (CARC.) Communication about the work of the three groups was disseminated to the rest of the campus through Faculty Council meetings, staff and student town hall meetings, and email.

The primary documents that were created by this process were the 2020-2021 Strategic Plan, the three year Strategic Initiatives document, and the Strategic Brand Analysis. The SV team did not receive the latter two documents until it was on-site for the Special Visit. The new strategic plan highlights the following selected priorities, identified during the fall 2017 strategic planning retreat: (1) Increasing revenue; (2) Strengthening awareness, consideration, and selection of current programs and formats and revising these as needed; (3) Enhancing efficiency in delivery of instruction and administrative and operational services; and (4) Continuing to deepen diversity and inclusion initiatives (SV Institution Report, page 5.)

The 2020-2021 Strategic Plan then operationalizes how CIIS will meet these goals through adherence to 7 key strategic aspirations: (1) Revenue: Increase tuition based student count to ~1700 students over next 36 months; (2) Revenue: Assist revenue growth by increasing non-tuition revenue; (3) Connection: Expand new program delivery formats (e.g. online capabilities); (4) Connection: Increase inquiries through brand awareness and adoption; (5) Connection: Enhance student connection to increase graduation rates; (6) Efficiency: Keep institutional cost to total instructional cost ratio at 52%; and (7) Diversity: Strive for diversity and inclusion.

The three-year Strategic Initiatives spreadsheet contains the details, (e.g. metrics, timeline, and responsible parties) for the strategic plan. The Strategic Brand Analysis group created a proposal for actions to realize some of the initiatives outlined in the three year plan; however, the proposal was not funded nor were actions recommended by the report taken due to the need to act quickly

and within the approved budget (Materials from this last group were provided by the dean of the School of Professional Psychology and Health at the SV team's request.)

CIIS is to be commended for taking action quickly to open discussion about revisions to the 2015-2020 Strategic Plan and their efforts to notify the faculty and staff about changing strategic priorities. However, the reliance on the members of the administration and board of trustees to develop a new plan, rather than engaging key faculty and staff leaders in more meaningful ways, raises questions about faculty and staff buy-in and whether those who deliver the curriculum to students were engaged appropriately in strategic planning for the 2020-2021 Strategic Plan. In fact, CIIS acknowledges that there was some concern about the process for disseminating information in their report: "Despite these attempts, there were some concerns about transparency and inclusion. This concern had to be balanced with the imperative of getting a workable plan in place in a timely manner" (SV Institutional Report, pages 15-16.) This concern was addressed in one of the on-site meetings stating that, due to the financial crisis, a decision was made to lay off non-essential staff, and the fact that these were personnel issues meant that they needed to be handled privately. This privacy contributed to the sense among some that changes were occurring without discussion. It was also acknowledged that there were some other individuals who did not feel that the strategic planning process was transparent. While the need to respond quickly to the WSCUC Action Letter was clearly a priority, the WSCUC Standards for Accreditation require that there is evidence of effective academic leadership by faculty (CFR 3.10.) It does not appear that this CFR has been met.

Some of the actions undertaken and reported in the SV Institutional report, for example, reducing faculty sabbaticals, eliminating 401K contributions (SV Institutional Report, page 10) and the plans for future actions, such as Revised Program Structures, Annual Approval and Review

Processes, and Assessment (SV Institutional Report, page 15) may compromise effective academic leadership by faculty, especially where curriculum decisions are concerned (CFR 3.10.) Comments made by faculty, staff, administration, and the board during the on-site visit acknowledged that the administration and board of trustees served as the primary architects of the strategic plan with faculty being included in the early stages during the Retreat in which a SWOT analysis was conducted (SV Institutional Report, Exhibit 1.1) and informed of the plan after it had been drafted. Deans then played a pivotal role in communicating key initiatives in the plan to the chairs in their respective schools. During the SV it appeared that most of the faculty and staff did not seem to be bothered by this process. One concern is that in the area of academic assessment the Provost, Dean's Group, and Director of Institutional Effectiveness will be spearheading that effort, not the faculty (SV Institutional Report, page 15.) Given that faculty assume the primary responsibility for the development and delivery of curriculum and student learning, they should play a central role in providing input when curriculum planning decisions are made. This is especially important when assessing student learning and making difficult choices about discontinuing programs or developing new ones. Without a voice and faculty leadership, faculty cannot operate as the primary stewards of curriculum (CFR 3.10.) The SV team recommends the CIIS establish and emphasize the central role of faculty in the development of new program initiatives and in the evaluation and revision of current program based on robust assessment data, as integral partners in the development and implementation of the strategic plan (CFRs 3.7, 3.10.)

The SV team was confused by the two strategic plan documents submitted prior to the site visit; the 2015-2020 and the 2020-2021 strategic plans. These two plans outlined different, though in some cases overlapping, plans for the campus. Specifically, the 2015-2020 Strategic Plan

document has a greater number of goals than the 2020-2021 Strategic Plan document. The 2020-2021 Strategic Plan focuses on the key areas of concern highlighted in the WSCUC Action letter: financial health, strategic plan, and leadership. When the SV team arrived on campus, two more strategic plans were provided: one was a spreadsheet that outlined specific objectives for the strategic plan (three year Strategic Initiatives spreadsheet), and the other was a Diversity and Inclusion Strategic plan. During the visit, the SV team asked for clarification regarding which document would be provided to campus personnel as the guiding document for actions. The Strategic Planning group identified the 2020-2021 Strategic Plan document and the accompanying spreadsheet that contained greater detail, as the primary guide for action. Ironically, during the meeting with faculty, the SV team was asked, “What Strategic Plan are you referring to?” It was clear to the team that more work needs to be done to fully inform faculty and staff about strategic planning and their role. Additionally, it was noted that the 2020-2021 Strategic Plan document actually covers four years, from 2017 through 2021, and the referenced years do not match those in the three year Strategic Initiatives spreadsheet as it references years 2016-2017 through 2019-2020. It is recommended that CIIS integrate the Diversity and Inclusion Strategic Plan into the Institutional Strategic Plan (CFR 4.6.)

The 2020-2021 Strategic Plan aligns the four key priorities for the campus with the seven key strategic aspirations over a four-year period. It provides information on the metrics that will be used to determine whether six of the seven aspirations have been met for each of the priorities; the metric for Diversity and Inclusion was left ambiguous, with the statement “Qualitative measures per individual schools.” This plan then provides a new organizational structure overview, differentiated by revenue-generating and common support goals and an outline of the initiatives and objectives each School or program will use to address the priorities. The plan

does not include time frames for achieving objectives articulated by School, nor does it identify the individuals responsible for meeting the objectives. However, this information was found to exist in the spreadsheet, the three year Strategic Initiatives document, provided to the SV team on the first day of the Special Visit. Additionally, CIIS's Special Visit Institutional Report contains more specific information on some of these initiatives (e.g. Approval and Review Processes; SV Institutional Report, pages 14-15.) The SV team recommends that CIIS consolidate all of these various iterations of the strategic plan into a single coherent document that will be used as a guide for campus actions that clearly communicates to all personnel how the strategic plan should be utilized (CFR 4.6.) The SV team also recommends that CIIS identify principal parties responsible for implementing and monitoring the strategic plan, which should be tied to the financial management of the institution (CFRs 3.4, 4.6.)

A review of the strategic plan by School reveals that only the School of Professional Psychology and Health has developed objectives to address each of the four key priorities; in some cases such as Continuing Studies, they only focus on only one. This raises concerns regarding integration of efforts across departments and their ability to each do their part to address the four key priorities (WSCUC Action Letter, April 13, 2017.)

Revenue generation underscores each of the priorities outlined in the strategic plan. For example, CIIS plans to increase enrollment from the current 1443 students in 2017 to 1706 students in 2021. It is not clear how the institution came to the conclusion that 1700 students would be the optimal number.

Most of the objectives for revenue generation focus on adding new programs. Recent changes in CIIS programs include launching online versions of three academic programs or concentrations: MA in Counseling Psychology with a concentration in Expressive Arts; MA in Integrative



Health Studies; MA in Philosophy and Religion with a concentration in Philosophy, Cosmology and Consciousness (CIIS, Accreditation History Report, 9/13/2017.) Additionally, two programs were changed in terms of the way they were offered (the MA in Counseling Psychology with a concentration in Community Mental Health and the Master of Fine Arts), one certificate program was launched (a certificate in Sex Education), and a new Wellness program was developed in student affairs. Finally, the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM) conducted an accreditation review of the postgraduate Doctor of Acupuncture and Oriental Medicine degree. CIIS has also been preparing for another accreditation visit to review the Doctor of Acupuncture and Chinese Medicine (DACM) degree in 2018. It is unclear why CIIS chose to focus on changes in these programs above others. The SV Institutional Report notes that there will be some analysis of program viability. This is critical to determining which programs should grow and perhaps which should be discontinued. It would be useful to include this information in the strategic plan itself with a timeline for meeting stated objectives (CFRs 3.4, 3.5, 3.7.)

CIIS also has benchmarks for generation of non-tuition revenue to increase from the current 2017 figure of \$4.06 million to a 2021 goal of \$6 million. However, when looking at the more detailed plan presented by the programs, the method by which they will attain this revenue is not clear. They do not provide objectives for getting to these goals, rather they describe their justification for wanting to increase the revenue, often in vague terms as in the statement “Tuition growth cannot come only from degree programs” (Strategic Plan 2020-21 document, page 11; [CFRs 3.4, 3.5].) The SV team believes that there has been deep discussion about possible methods and metrics for achieving goals based on the three year Strategic Initiatives spreadsheet. However, the 2020-2021 Strategic Plan document does not contain this information

illustrating a disconnect between the three strategic planning groups regarding coordination and sharing of information.

Although CIIS chose to highlight student connection, two of the seven aspirations are specific to increasing enrollments to increase revenue generation: creating new programs to attract more students and upgrading marketing techniques to increase applications. These actions focus on enrolling more students by expanding programs. The 2020-2021 Strategic Plan does not contain information on how CIIS determines which programs are drawing students and which programs might be good candidates for removal, nor does it address the type of data-based analysis they conducted to make those decisions. The SV team was pleased to find that CIIS is actively using marketing data to make decisions. During their meeting with SV team members the CIIS Admissions and Marketing team exhibited a high level of coordination and use of data to develop recruitment strategies. Moreover, the newly hired dean of the School of Professional Psychology and Health has extensive marketing expertise which is being used to outline plans for this school. It would be beneficial to the whole campus to draw on the expertise of these individuals and consider their work as models of best practices to be emulated (CFRs 3.7, 4.1, 4.2, 4.6.)

CIIS is committed to keeping institutional costs to total instructional costs at 52%. It is unclear from the strategic plan how this will be accomplished at the school and program level. It is possible that if CIIS takes on an objective review of the degree programs they offer and makes evidence-based decisions regarding viability and attractiveness of programs, they may be able to be more efficient without having to resort to actions such as eliminating retirement benefits of employees or reducing health care benefit choices. It is worth noting that only one school considered its role in helping CIIS to become more efficient, the School of Professional

Psychology and Health, given that this priority is specific to reducing instructional costs. All of the schools and programs should be involved in deep discussions about how best to become more efficient without sacrificing their mission (CFR 3.5.)

CIIS reports that they have “prioritized diversity and inclusion through leadership and action across all levels of the institution” (SV Institutional Report, page 5.) Review of the overall strategic plan shows that CIIS has provided metrics for six of the seven aspirations; the exception is Diversity and Inclusion. It unclear why clear metrics for diversity and inclusion, for example, to increase in the percentage of ethnic minority students, staff, faculty, administrators, or the board, were not included as a campus goal. The Diversity and Inclusion Strategic Plan did provide these metrics. While it is a good plan to allow the Schools to determine the actions they will take to achieve the goal, there should be some clearly stated metrics for assessing the campus success resulting from their actions, such as percentage of minority students, staff, faculty, and administration at CIIS; percentage of students of color who graduate. The SV Institutional Report makes a well-defined statement on how assessment of Diversity in curriculum would be done:

“Evaluate syllabi and pedagogical approaches to strengthen diversity and inclusion throughout the community with objectives of increased incorporation of diverse perspectives, content, and ways of knowing to build enrollment of a diverse student body and increased cultural sensitivity through examination of current pedagogical practices and classroom climate to increase inclusion and retention.” (SV Institutional Report, pages 14-15.)

However, this information is not clearly communicated in the strategic plan. For some schools, initiatives and objectives for diversity and inclusion are vague, for example, “...emphasize faculty development: diversity and inclusion best practices” and “Address retention and shore up a process that has historically been fraught with complaints and upset” (Strategic Plan 2020-2021 document, page 7.) The School of Undergraduate Studies is a notable exception as they have

articulated clear initiatives regarding diversity and focused objectives for the diversity initiatives. All of the schools would do well to use the clear models of the School of Professional Psychology and Health and the School of Undergraduate Studies when articulating strategic plans. By providing clearly stated initiatives and objectives, and including a timeline for meeting the objectives, they will increase the likelihood of meeting their ultimate goals (CFR 3.1.) The SV team recommends that CIIS establish clear and consistent metrics and forms of evidence regarding progress toward meeting strategic plan objectives across the various units (CFR 4.3.)

#### Integration of ACTCM

Throughout the visit, SV team members asked questions about the merger and how ACTCM is being integrated into the CIIS community. The prevailing sentiment is that a merger takes time and that it is a work in progress. It was noted that they have come to recognize the differences in the academic cultures, such as professional practices and academics of the two entities and that they need to make efforts to bring the two together. At present they are considering terminating the lease of one facility so that they may integrate ACTCM students into the CIIS campus. In terms of the strategic plan, ACTCM chose to address two of the four key priorities: Revenue and Student Connection. ACTCM plans to conduct feasibility studies for new program development, an excellent first step to addressing the revenue issues. Notable is their plan to explore a program to address Opioid addiction. They are examining the programs they offer and how better to connect with students. Taking this perspective will likely result in programs that fit student interests and provide appropriate academic rigor. It is surprising to see no actions outlined to address diversity issues at ACTCM nor the steps they will take to meet the efficiency goals set for the campus. This is especially critical given the budget crisis that resulted, in part,

from issues regarding financial aid to ACTCM students. It is important for their integration into the campus that they are included in all aspects of the strategic plan.

### C. Leadership

The WSCUC Commission Action Letter of April 13, 2017 called upon the CIIS board of trustees to identify and appoint a new president as soon as possible, given the sudden departure of the previous long-term president. The Commission also called upon the board to support the new president in establishing a strong leadership team that would develop a comprehensive and coordinated approach to addressing fiscal challenges and long-term planning. The leadership was expected to establish clear lines of authority and structures for the delegation of day-to-day management of the institution (CFRs 3.7, 3.8, 3.9, 3.10.)

The SV team reviewed the following reports and responses as evidence for this issue. The AV team report of November 2016 was concerned that fifteen administrators reported to the president (CFR 3.6.) The SV team noted that a restructured leadership team has reduced the number of direct reports to the president to nine people. The position of provost has been filled, and two new deans have been appointed to lead the largest schools and all four deans have been made accountable for oversight of budgets. The Faculty Council meets regularly and is reviewing its mandate. The president holds regular town hall meetings with faculty and staff. The SV team also reviewed the updated Strategic Plan: 2020-21 dated November 2017 which calls for a leadership structure that “ensures the delivery of vision with defined accountabilities, aligned with CIIS values” (SV Institutional Report: Exhibit 1.15.) The SV team commended CIIS for the rapid and effective mobilization of existing and new staff to address concerns highlighted in the WSCUC Action letter and for the reorganization of the administration to decrease silos and increase accountability.

CIIS reported that there have been changes in board leadership and processes. The board of trustees has joined the Association of Governing Boards (AGB) with plans to attend AGB's annual meeting this spring. Board of trustees' representatives have attended the WSCUC workshop for trustees. They have begun a review of board bylaws and committee mandates to make responsibilities clearer (CFR 3.9.) The SV team recommends the completion of this review and revise mandates as necessary as soon as feasible. The SV team was impressed with the renewed commitment to action of standing Board members and for the addition of new members with expertise and energy for the work ahead.

The SV Institutional Report of December 14, 2017 described a large, inclusive presidential search committee. The committee received 50 applications, interviewed 10 semi-finalists via videoconference, selected 3 final candidates who visited the institution and met with a wide range of stakeholders. After reviewing the final candidates and the progress that the interim president had made in the interim role, the board asked that the interim president consider becoming president. The SV team was impressed by the willingness and availability of the former, long-term provost to assume the interim and then permanent presidency, commencing on July 1, 2017, for a two-year term.

The SV team applauds the board's plan for regular evaluation of the president including soliciting feedback from a broad range of constituencies. Given the relatively short-term and rolling renewal nature of the president's contract, the SV team recommends that the board develop a succession plan that clearly articulates short-term and long-term actions in the event of the vacancy of the office of the president (CFR 3.9.)

### SECTION III – FINDINGS, COMMENDATIONS, AND RECOMMENDATIONS

#### A. Broad and Overarching Issues

The WSCUC Action Letter called for attention to three areas which fall primarily under Standard 3 with some relevance for Standard 4. These issues point to the institution's ability to develop and apply resources through appropriate organizational structures in order to achieve quality and sustainability. In the SV team's view, CIIS has focused successfully on strengthening its capacity to lead, especially in the area of financial accountability. CIIS has engaged in multi-pronged efforts at strategic planning which now require coordination, broader participation, and prioritization.

#### B. Areas of Strength of the Institution

The SV team wishes to commend CIIS for the following accomplishments and practices:

1. For being highly responsive to multiple requests for additional documents that were critical to the SV team in preparation for the visit;
2. For exhibiting best practices in data-driven decision-making by generating and using data from market analyses in admission and recruitment activities of the institution and program development efforts in the School of Professional Psychology and Health;
3. For mobilizing of existing and new staff to address concerns highlighted in the WSCUC Action letter. CIIS is also to be commended for the reorganization of the administration and the creation of new dean positions to decrease silos and increase accountability;
4. For being willing to address the concerns outlined in the WSCUC Commission Action Letter of June 2017, for renewing the commitment of standing board of trustees members to take action, and for adding new members with expertise and energy for the work ahead. The team

applauds the board of trustees plan for regular evaluation of the president including soliciting feedback from a broad range of constituencies;

5. For making dramatic progress in a short period of time concerning fiscal monitoring and oversight. A three year budget model has been implemented using realistic enrollments and appropriate reserves. New financial reports that show actuals versus budget are now timely, accurate, and are consistently reviewed by all key stakeholder groups. The revised and renewed Finance Committee is thoroughly engaged in the review of the institution's finances and holds a high degree of confidence that current projections are attainable.

#### C. Team Recommendations for CIIS

The Special Visit team has identified the following recommendations:

1. That the CIIS board of trustees complete its review of committee mandates and bylaws and revise mandates as necessary to make responsibilities clearer (CFR 3.9);
2. That the CIIS board of trustees develop a succession plan that clearly articulates short-term and long-term actions in the event of the vacancy of the office of the president (CFR 3.9);
3. That CIIS annually employ the use of the Composite Financial Index score to gauge the financial health of the institution (CFR 3.4);
4. That CIIS determine which of the several versions of the strategic plan will guide the work of the institution (CFR 4.6);
5. That CIIS identify principal parties responsible for implementing and monitoring the strategic plan which should be tied to the financial management of the institution (CFRs 3.4, 4.6);



6. That CIIS establish clear and consistent metrics and forms of evidence regarding progress toward meeting strategic plan objectives across the various units (CFR 4.3);
7. That CIIS integrate the Diversity and Inclusion Strategic Plan into the institution's strategic plan (CFR 4.6);
8. That CIIS establish and emphasize the central role of faculty in the development of new program initiatives and in the evaluation and revision of current programs based on robust assessment data, and as integral partners in the development and implementation of the strategic plan (CFRs 3.7, 3.10).

## APPENDICES

### Appendix 1: History of Unrestricted Net Asset Changes

The institution's history of unrestricted (Operations) net asset changes for the years beginning 2012/2013 through 2016/2017 are as follows;

- 2012/2013 decrease (177,447)
- 2013/2014 increase 56,657
- 2014/2015 increase 287,951
- 2015/2016 increase 120,472
- 2016/2017 increase 44,718

Appendix 2: Composite Financial Index for CIIS

Calculation of Composite Financial Index for CIIS

Composite Financial Index (Score of 1 to 10)						
		12/13	13/14	14/15	15/16	16/17
	Weight in CFI					
Primary Reserve Ratio	35%	0.17	0.20	0.17	0.06	0.08
Net Operating Revenues Ratio	10%	-0.7	0.2	1.2	0.4	0.1
Return on Net Assets Ratio	20%	-5.8	4.9	8.4	12.1	1.7
Viability Ratio	35%	0.27	0.30	0.25	0.12	0.16
	<b>CFI Score</b>	<b>-1.1</b>	<b>1.2</b>	<b>1.9</b>	<b>2.5</b>	<b>0.4</b>
Composite Financial Index Scale						
		12/13	13/14	14/15	15/16	16/17
			1.2	1.9	2.5	
		-1.1				0.4

Range	Strategy
9 to 10	Deploy resources to achieve robust mission
7 to 8	Allow experimentation with new initiatives
5 to 6	Focus resources to complete in future state
3 to 4	Direct resources to allow transformation
1 to 2	Re-engineer the institution
-1 to 0	Assess Viability to survive

## Definitions of Composite Financial Index

### Primary Reserve Ratio

#### Definition of Ratio

The total resources that an institution could spend on operations. The real significance of this ratio is that if the ratio is below .15, which would mean funds for about two months of operations, then the institution will end up borrowing short term to make payments and the institution does not have the resources it needs to maintain the physical plant and to invest in the future. The developers of the CFI recommend a primary reserve ratio of at least .4. If the Primary Ratio is below .4, you should be concerned.

### Net Income Ratio

#### Definition of Ratio

To show if the results of the institution's general operations are positive or negative and by how much. In business terms, is the institution making money or losing money in its basic day-to-day function of educating students. A net income ratio of 2% to 4% is considered necessary.

### Return on Net Assets Ratio

#### Definition of Ratio

The change in Net Assets used in this ratio includes everything that happened in the year (expected, unexpected the stock market, operations, everything--the previous net income ratio only includes the change in unrestricted net assets which limits it to operations.) This ratio includes endowments (thus it can change according to market). Should remain 3% to 4% above inflation.

### Viability Ratio

#### Definition of Ratio

Just like the Primary Reserve Ratio, the resources that could be spent, (Unrestricted funds) were divided by the total expenses for the year; in the viability ratio the same "expendable" resources are divided by long-term-debt. When expendable funds are twice the amount of long-term debt, the ratio is 2. Falling below a ratio of 1.0 will limit the institution's ability to fund new initiatives through debt and will make current creditors nervous. Institution should remain above the 1.25 level.

Appendix 3: U.S. Department of Education Financial Responsibility Composite Score for CIIS

Calculation of U.S. of Education Financial Responsibility Composite Score for CIIS

	Ratios	Strength Factors	Weights	Composite Scores
Primary Reserve:	0.1543	1.5434	40%	0.6174
Equity:	0.3053	1.8321	40%	0.7328
Net Income:	0.0015	1.0745	20%	0.2149
<b>Composite Score</b>				<b>1.6</b>
<b>Scale</b>				
		<b>Fail</b>		<b>-1 to .9</b>
		<b>Zone</b>		<b>1.0 to 1.4</b>
		<b>Pass</b>		<b>1.5 to 3.0</b>

**U.S. Department of Education**

**Note**

**Scope: Review of Non-Profit Financial Statements  
in Accordance With 34 CFR 668 Subpart I**

Institution:	CIIS
OPE ID:	
DUNS #:	
Fiscal Year End:	6/30/2017
Financial Analyst:	
Review Date:	

Accounts	Enter Amounts	Calculated Amounts
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**Primary Reserve Ratio (Expendable Net Assets/Total Expenses):** **Hint**

Total Assets	\$ 28,881,393		<b>Hint</b>
Total Liabilities	\$ 20,062,587		
Net Assets		\$ 8,818,806	
Intangibles	\$ -		<b>Hint</b>
Unsecured Related Party Receivables	\$ -		<b>Hint</b>
Net Fixed Assets	\$ 18,739,046		
Permanently Restricted Net Assets	\$ 1,937,821		
Annuity, Life Income & Term			<b>Hint</b>
Long-Term Debt	\$ 16,485,016	\$ 16,485,016	<b>Hint</b>
Post-Emp or Rtrmnt Liab	\$ -		<b>Hint</b>
Expendable Net Assets		\$ 4,626,955	
Total Expenses	\$ 29,978,436	\$ 29,978,436	<b>Hint</b>

**Equity Ratio (Modified Net Assets/Modified Assets):** **Hint**

Modified Net Assets	\$ 8,818,806
Modified Assets	\$ 28,881,393

**Net Income Ratio (Change in Unrest. Net Assets/Unrest. Rev.)**

Change in Unrestricted Net Assets	\$ 44,718
Total Unrestricted Revenues	\$ 30,023,154
	\$ 30,023,154

If Composite Score < 1.5,  
HEA Program Funds: \$ -