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July 5, 2011

David M. Carlisle
President
Charles Drew University of Medicine and Science
1731 East 120th Street
Los Angeles, CA 90059

Dear Dr. Carlisle:

At its meeting June 22-24, 2011 the Commission considered the report of the Special Visit team that conducted an on-site review of Charles Drew University (CDU) February 23-25, 2011. The Commission also reviewed the materials related to the previous visit to CDU, the Special Visit report submitted by the University prior to this visit, and CDU's response to the visiting team report, dated May 3, 2011. The Commission appreciated the opportunity to discuss the review with you and your colleagues, Chair of the Board of Trustees Roy Wilson, Provost Rick Baker, Chief Financial Officer Ron Lau, and Accreditation Liaison Officer Ron Edelstein. Your comments were helpful, especially in updating the Commission on recent progress and plans.

Scope of Review. Following the 2009 Educational Effectiveness Review, the Commission found CDU to be out of compliance with all four WASC Standards of Accreditation. The Commission placed CDU on probation, requested an Interim Report in 2010 and scheduled a Special Visit in 2011. Both the Interim Report and the Special Visit were to review the following issues: (1) open communication; (2) financial sustainability, planning, and management; (3) presidential and board leadership; (4) faculty governance, policies, and development; and (5) student learning and student success.

In 2010, the Interim Report Committee found "that while CDU was engaged in considerable activity to address the various issues, there was little evidence of progress," and it made specific recommendations for progress that needed to be made by the time of the Special Visit.

The 2011 Special Visit team report describes progress in all five areas of Commission concern and on the specific recommendations of the Interim Report Committee. At the end of the visit, the team requested that three key documents be provided to the Commission before its meeting in June 2011. These documents, which related to the presidential search, the 2010 single audit, and the new strategic plan, were provided by CDU on June 3, 2011.

The Special Visit team found CDU to be undergoing "comprehensive, rapid and transformative changes," particularly in areas of leadership, governance, and

campus culture. The team also noted that much of that change was so recent that it was not yet possible to say if it would be sustained or become institutionalized.

The Commission endorsed the commendations and the eight recommendations of the Special Visit team pertaining to institutionalizing changes, refining the new organizational model, building shared governance, assuring educational effectiveness with evidence, engaging with good practices in assessment, developing a strategic plan, improving visibility and marketing, and demonstrating financial sustainability. In particular, it noted the need for continued attention to each of the five areas of focus for this review:

Communication with WASC and with the CDU Community. The 2009 EER team and the Commission emphasized the need for CDU leadership to be more forthcoming with WASC and the CDU community about the difficulties it was facing. Since 2009, the University has engaged in more open and frequent communication with WASC. The Commission does continue to have concerns about the quality of CDU's reports, however, and reiterates its comment from the 2009 Commission action letter that "it will be essential for the University to demonstrate its capacity to provide participatory, reflective, analytical and evidence-based reports to the Commission in the future." CDU needs to move beyond description and recitation of data in its reports to WASC to a deeper and more insightful level of analysis.

The Commission is pleased to learn that the campus climate has improved. A number of new communication strategies have been implemented, and both a campus climate survey and the Special Visit team's meetings with various groups on campus provide evidence that these strategies have been effective. In the words of the team, "the vigor and creative, cooperative excitement that the team has seen is a testimony to CDU's shared commitment to mission... Especially significant has been the comprehensive, rapid and transformative changes in leadership, governance, and campus culture." (CFRs 1.3, 1.9, 4.1)

Financial Sustainability, Planning, and Management. As noted in the Commission's 2009 action letter, CDU's financial position had deteriorated to a "financial crisis." The University was faced with a multi-million-dollar shortfall, layoffs, and debt obligations for the new School of Nursing building that were beyond its means. Financial projections to support strategic planning were absent or unrealistic. Financial management was not reliable. Audits and financial reports were chronically late, financial aid allocations were inaccurate, and financial data were incomplete. The Commission expected that, by the time of the spring 2011 Special Visit, CDU would be able to demonstrate financial viability, governing board oversight of finances and planning, functioning systems for budgeting and managing and reporting on finances, and use of an effective database to support financial management.

The Commission commends the swift and effective steps that CDU has taken to address its financial crisis. As noted in the team report, "in the past 18 months, the institution has taken steps to stabilize its precarious financial situation, including acquiring external funding to support debt service and reducing expenses significantly and has brought a more disciplined approach to financial management." The current financial position of CDU has improved and the Commission noted evidence of improvements in terms of both expense reductions and revenue enhancement. On the expense side, there is improved management of expenditures, an

unqualified audit for 2010, a formalized budget process, approved financial policies, restored compliance with revised loan covenants, and reduction of debt. On the revenue side, CDU has received substantial funding that it had hoped for; has seen increased net tuition revenue, federal grants, and investment performance; and was able to get suspended funding restored. The Commission shares the team's assessment that, while the administration has taken bold and effective actions to stabilize its financial situation, to meet Commission standards it is essential for CDU to demonstrate that these very recent developments are sustained into the future. Continuing on this path will take both diligence in financial planning and monitoring, and concerted efforts to increase enrollment and to assure a substantial stream of revenue from fundraising.

CDU has produced plans that show balanced budgets for the next three years and include two contingency scenarios in the event that the assumptions are not met. Assumptions include increased state external support, increased support for research, and substantial enrollment growth. The Commission urges careful and continuous monitoring of expenses and revenue from both enrollment and fundraising to ensure that plans are on track and to allow for rapid response to changes or unmet targets.

CDU's accreditation history demonstrates a pattern of falling out of compliance with one or more Commission standards, usually in the area of financial sustainability, followed by a period of focused, energetic redirection in part in anticipation of an upcoming WASC visit, followed by a lapse or near-lapse in one or more areas of compliance. In taking the action set forth below, the Commission wishes to make clear that it is essential for CDU to demonstrate compliance with Standard 3: *Developing Resources and Organizational Structures to Ensure Sustainability* by the time of the next visit.

(CFRs 1.8, 3.5, 4.1-4.3)

Presidential and Board Leadership. In its 2009 action letter, the Commission raised serious concerns about CDU's presidential leadership. The Commission commends CDU for the actions taken to address this situation swiftly and effectively, noting the resignation of the then-president, the appointment of an effective national medical educator to serve as interim president, and the conducting of nationwide search that led to your appointment.

In 2009, the Commission also expressed concerns about the effectiveness of the governing board, as the board is responsible for selection and evaluation of the president and for the financial well-being of the institution. The Commission found at that time that the board was not dealing effectively with the wide range of serious issues facing CDU. The Commission was pleased to learn that the Board of Trustees had been reorganized and that several new members were appointed, including key regional academic and health care leaders who are dedicated to CDU's success. The team described the board as "strong, well informed, and well connected." The Commission also acknowledges that the board has taken decisive action to address concerns about finances, obtain new funding, reform organizational structures, and support the work of the Academic Senate. As the team stated, CDU is effectuating "major changes" leading toward shared governance and transparency. The Commission endorses the team's finding that this new board has the capacity to move CDU toward "a positive future." (CFRs 1.3, 3.8-3.10, 4.1)

Faculty Governance, Policies, and Development. The Commission expected CDU to address several inter-related issues concerning the faculty by the time of the Special Visit, including workload, policies on and support for scholarship and creative activity, and the development of an appropriate role for the faculty in governance. The 2010 Interim Report Committee reiterated these concerns and requested that a policy on faculty rights and responsibilities and new faculty contracts be finalized by the time of the Special Visit. The Special Visit team reported that faculty governance has been addressed effectively with a new faculty constitution and bylaws, and the establishment of several committees. A University-wide Academic and Promotion Committee has been established in an effort to standardize the promotion process. Faculty oversight of the curriculum is evident in program review and has resulted in decisions to close underperforming programs. The faculty is now involved at multiple levels of leadership, including representation on the Board of Trustees. CDU has moved to a “one-university model,” which has a provost who works closely with and a Council of Deans. As noted in the team report, “although still in need of further improvement, there is evidence of good practice in the faculty senate involvement in decision-making processes with senior leadership.” The Commission commends this progress and encourages continued development concerning the faculty roles and responsibilities in areas identified in the team report, especially finalizing the faculty workload policy and grievance procedures. (CFRs 1.7, 1.8, 3.2-3.4, 3.8, 3.11)

Assessment of Student Learning and Student Success. In 2009, the Commission found that “assessment at CDU [was] not at the minimum level expected for reaffirmation of accreditation.” CDU did not have program learning outcomes or assessment plans for all programs, had not made use of results of assessment to demonstrate effectiveness or to improve student learning, and did not have a functioning process for program review. The lack of good data on retention and graduation was also noted.

The team found that since that time, outcomes have been developed and aligned with courses and across levels, a new data base to collect assessment data has been deployed, professional development has been provided to faculty and staff in this area, and rubrics are in widespread use. The faculty has embraced “a culture of assessment,” and program review has been implemented and used to make difficult but necessary decisions about closing underperforming programs.

The Commission applauds this progress and urges continued attention to the creation of a highly developed set of systems for educational effectiveness. To move this work to the next level, CDU is encouraged to provide ongoing professional development for the administration, faculty, and staff and to continue to develop analyses of student retention and graduation. By the time of the next visit, CDU will be expected to show further development of its capacity to engage in and use assessment effectively, and to provide completed program reviews and examples of improvements made as a result of program review and assessment. (CFRs 1.2, 2.3, 2.4, 2.7, 2.10, 2.11, 3.4, 3.9, 4.4-4.7)

Given the above, the Commission acted to:

1. Receive the Special Visit team report and remove Charles Drew University from Probation.

2. Issue a formal Notice of Concern.
3. Request an Interim Report to be due on March 1, 2013, focusing on the financial challenges that CDU continues to face, which are noted in the team report and set forth above in this letter. This Interim Report should include:
 - a. A description of any changes since the June 2011 Commission meeting in personnel in the following financial positions, together with job descriptions and an explanation of the changes: chief financial officer, controller, and assistant controller;
 - b. Audited financial statements and A-133 reports for fiscal years 2011 and 2012;
 - c. A detailed operating budget report showing FY 2012 annual operating results, with focused commentary on any areas of revenue shortfalls or expense overruns, together with an explanation of steps taken to address them;
 - d. A detailed operating budget report showing FY 2013 year-to-date (for as much of the year as can be reasonably prepared, but at least through January 2013), again reporting on any revenue or expense areas that are tracking unfavorably to budget, with explanations;
 - e. A description of any changes to the budget planning and monitoring process subsequent to the June 2011 Commission meeting, with explanations;
 - f. A summary and explanation of financial results and planning in comparison to the Financial Sustainability Business Plan to date;
 - g. A description and explanation of the status of financial support from UCLA to CDU from June 2011 to the date of the Interim Report;
 - h. A description of cash management in response to the February 2011 Special Visit report, page 16 (i.e., a description of the internal monthly budget reporting process, focusing on any changes since the June 2011 Commission meeting);
 - i. A description of the plans for, and results of, fundraising since the time of the June 2011 Commission meeting.
4. Request a Special Visit for spring 2014 to review progress on the issues cited in this letter and the 2011 Special Visit team report, in particular progress in addressing: (1) financial sustainability, planning and management; (2) faculty-related policies and governance; and (3) assessment, student success, and program review. This Special Visit will also review the Notice of Concern.
5. Schedule CDU's next comprehensive review visit for spring 2018. As you know, the Commission is in the process of considering major revisions to the current three-stage institutional review process. It expects these revisions to be adopted by June 2012 and implemented during the following two years. Once the revised process is adopted, WASC staff will communicate with you and your ALO to explain the impact of any changes on your next comprehensive review and on the interactions you may have with WASC before that review.

July 5, 2011

Page 6 of 6

This action provides notice to the institution that, while it currently meets WASC Standards, it is in danger of being found in noncompliance with one or more Standards if current trends or findings do not continue to improve. Institutions issued a formal Notice of Concern have a special visit within four years to assess progress. If the Commission's concerns are not addressed by the time of the visit, a sanction is imposed, as described below.

A formal Notice of Concern is not made public by the Commission. This means it is neither published in the *Directory* nor identified when members of the public call for information on the accreditation status of the institution.

In accordance with Commission policy, a copy of this letter will be sent to the chair of Charles Drew University's governing board in one week. The Commission expects that the team report and this action letter will be widely disseminated throughout the institution to promote further engagement and improvement, and to support the institution's response to the specific issues identified in them.

Please feel free to contact me if you have any questions about this letter or the action of the Commission.

Sincerely,



Ralph A. Wolff
President

RW/dh

cc: Linda Johnsrud, Commission Chair
Ronald Edelstein, ALO
Dr. Roy Wilson, Board Chair
Members of the CPR team
Diane Harvey, Vice President, WASC