

Azusa Pacific University Special Visit Report

Submitted to WSCUC

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Introduction to the Special Visit Report

As noted in your July 11, 2022, letter to Azusa Pacific University (July Letter), “APU has experienced multiple years of declining enrollment and deteriorating finances resulting in reductions in faculty and staff positions, hiring freezes, and furloughs. Despite a series of Progress Reports to WSCUC to address these financial issues in the past, efforts to develop a strategy to improve finances and stabilize the university have been ineffective.”

To address ongoing financial issues and create alignment between the APU Board of Trustees (Board) and the Administration, finding a president who understood the economics of higher education and had a record of building effective teams with measurable goals and accountability was of paramount importance to APU. Additionally, APU needed a leader who was a valued thought partner, demonstrated the ability to work in collaboration with the Board, and had the capability to deliver key performance indicators on a regular and timely basis.

In the 2022 interview process with President Morris, the Presidential Search Committee informed him that APU lacked effective systems, controls, and data analytics throughout the university, and noted the areas of leadership where APU was weak so there would be no surprises when he accepted the position. Since his arrival in July 2022, President Morris has addressed many of the concerns identified by the Board, as well as issues uncovered through his diligent leadership, including filling the critical positions of CFO, Vice President for Enrollment Management (VPEM), and Provost with strong leaders who work jointly to effect much-needed change at the university.

The July Letter reached President Morris on day six of his presidency. He was grateful for its summary of the specific ways in which APU had failed to meet WSCUC Standard 3. This provided President Morris with a prioritized list of APU’s shortcomings, thus accelerating his onboarding.

In the early weeks of his presidency, Dr. Morris launched national searches for key Cabinet positions, worked with the then-Interim Provost to assemble nine working groups to begin addressing the areas of concern noted by WSCUC, retained several outside consultants to help provide needed data analysis, and much more. Eight weeks into fiscal year 2022-23, President Morris made his first public address at the fall Faculty/Staff Kickoff, followed a few days later by New Student Orientation, Welcome Weekend, and the first day of classes. It was a whirlwind start to a college presidency, marked by what the President calls “strategic activation”—immediately putting into motion the steps necessary to evaluate the organization and build the team.

With full recognition of APU’s past shortcomings, matched with tremendous hope for APU’s future, the Board, President, and Administration are passionate about reimagining the university. The team looks forward to putting into place the critical systems, structures, programs, and people that will make for a sustainable future, and thereby allow APU’s mission to flourish.

Thank you, in advance, for reading this report. APU is making tremendous progress, recognizing that the breadth of change required to return the university to a place of fiscal health will take time. Strategic work will continue between your receipt of this report and your visit in March 2024. The APU community looks forward to updating you on the continued progress during the March visit.

Institutional Overview

Azusa Pacific University was founded in 1899 by six women and men with a vision to create a school dedicated to teaching and training missionaries for Christian service. Now, 125 years later, APU continues its [mission](#) of creating a community of disciples and scholars who seek to advance the work of God in the world through academic excellence in liberal arts and professional programs of higher education that encourage students to develop a Christian perspective of truth and life.

The university's history is replete with [stories of student transformation](#)—undergraduate, professional, and graduate [students](#) who embrace a higher calling and go on to make a difference in the lives of others, applying the knowledge, skills, and abilities acquired through relevant and rigorous degree programs taught by exemplary scholars who invest deeply in them. Indeed, APU's transformative experiences empower difference makers who move their communities forward for the cause of Christ. It is fitting that Azusa Pacific University—a catalyst for change in others—leans into the requisite institutional transformation needed, to provide the necessary systems and structures, first for health and stability, and then for growth and innovation, fueled by an enduring commitment to student success and thriving and a responsibility to God.

APU is a community that reflects its location in the heart of Southern California. Just 26 miles east of Los Angeles—one of the most diverse cities in the country—Azusa Pacific welcomes students from many cultures and backgrounds in an environment that strives to see each individual as a reflection of God's image, love, and boundless creativity. From this perspective, the university works to create an inclusive environment in which all students, staff, faculty, and administrators flourish.

In 2023-24, APU offers 71 bachelor's degrees, 44 master's degrees, 3 post-master's degrees, 25 certificates, 8 credentials, and 9 doctoral degrees at the university's main campus in Azusa, five Southern California regional campuses, one regional site (see [APU Regional Location Summary](#)), and online. The university holds [accreditation](#) from [WSCUC](#) as well as [14 other specialized accreditations and memberships](#).

In order to focus on APU's systems and structures, the university has limited submissions of substantive academic changes to WSCUC since July 11, 2022. The only two submissions to the Substantive Change portal include a Certificate in Ethnic Studies and a new pathway for students seeking a Doctor of Nursing Practice.

Significant Changes since APU's Last WSCUC Visit

Key Leadership Changes (CFR 3.8)

A key concern raised by the April 2022 visiting team was the lack of permanent leadership in key academic and administrative positions across the university, including the presidency. Progress has been made on many fronts, including:

- Hiring of the President and Provost
- Completion of the President's Cabinet
- Election of a new Board Chair upon term expiration
- Development and preliminary hiring of positions for the Academic Cabinet

President's Cabinet

In July 2022, [Adam J. Morris, PhD](#), began his role as the 18th President of APU, following a nine-month national search and with the engagement of a 14-member Presidential Search Committee. As an accomplished senior administrator in Christian higher education, Morris served more than three decades at Biola University, most recently as Executive Vice President, Chief Transformation Officer, and Chief Institutional Advancement Officer. Morris' distinguished career is marked by visionary leadership, strategic planning expertise, and significant advancement outcomes yielding hundreds of millions of dollars.

The [President's Cabinet](#) experienced significant stabilization during the 2022-23 academic year with the retention of three senior administrators and recruitment and hiring of five additional Cabinet members. The President's Cabinet now includes:

[Andrew Barton, EdD](#), was named Vice President for University Advancement, effective January 1, 2023. Barton has served in a variety of advancement positions, including previous roles at APU, the University of La Verne, and The Salvation Army. More recently, Barton served APU as Senior Advisor/Chief of Staff, Vice President for Strategic Planning and Mission Integration, and Interim President (including during the April 2022 WSCUC visit).

[Jim Buckley, JD](#), General Counsel, joined Azusa Pacific in 2020 as Associate General Counsel and was named General Counsel and University Integrity Officer in March 2022. Buckley represents and advises the Board and Administration on a broad range of legal matters. Prior to joining APU in 2020, Buckley was an operations and management consultant for law departments and law firms. His law practice began in the litigation department at Gibson Dunn in Los Angeles, followed by 20 years as senior in-house counsel with Lockheed Martin Corporation.

[Aaron Dahlke, CPA](#), assumed the role of Vice President for Finance and Administration/Chief Financial Officer (CFO) on October 24, 2022. With a distinguished career spanning several industries, he most recently was CFO of a multibillion-dollar, publicly traded company. Now, Dahlke is responsible for APU's Business Office, including accounting, financial reporting, budgeting, forecasting, planning, credit, tax, investments, and treasury operations. He also provides leadership for human resources, information technology, facilities management, and auxiliary services.

[Keith Hall, EdD](#), was appointed Vice President for Student Belonging/[Chief Diversity Officer](#) (VPSB/CDO) in March 2022, providing executive oversight of athletics, student affairs, and diversity, equity, and inclusion. Hall has served at APU since 2012, including roles as director of the Noel Strengths Academy and executive director of the Academic Success Center. Hall brings more than 20 years of higher education experience from public and private institutions in California and Tennessee.

[Anita Fitzgerald Henck, PhD](#), was appointed APU's fifth Provost, effective July 1, 2023. She most recently served as Dean of APU's School of Education for 12 years, providing turnaround leadership during major transition, resulting in improved enrollment, enhanced fiscal health, and a reshaped curricular portfolio. Her APU career began in 2006 as doctoral faculty. Henck's previous roles include Vice President for Student Development and Retention and Professor at Eastern Nazarene College, and Assistant to the Provost, Board Liaison, Assistant to the President, and faculty across 19 years at American University. An experienced university senior-level administrator with a broad portfolio of expertise, Henck has also served as a WSCUC reviewer for more than a decade.

[Michael White, MA](#), began as APU's Vice President for Enrollment Management (VPEM) on October 24, 2022. White previously held cabinet-level positions at several higher education institutions in Minnesota, Florida, Virginia,

and South Carolina, with responsibilities for undergraduate, graduate, and online admissions, financial aid, and enrollment marketing. At APU, White is charged with designing, developing, and implementing a comprehensive and innovative strategic enrollment plan (SEP) in collaboration with academic partners.

[David Shynn, MBA](#), was appointed Vice President and Chief Strategy Officer at APU on October 30, 2023. He served most recently as Vice President for Transformation at Biola University, responsible for near-term organizational optimization and long-term strategic innovation. His prior roles at Biola included Associate Vice President for Transformation and Senior Director of Strategic Planning and New Ventures.

[Maureen Taylor, MA](#), was appointed Vice President for [Strategic Communication and Engagement](#) (VPSCE) in January 2021, having previously served APU since 1991 in a series of increasingly complex communication and engagement roles. With three decades of higher education experience in communication and advocacy, Taylor leads the university's internal and external communication and engagement strategies across all APU constituencies, with responsibility for brand management, creative, visual storytelling, media production, and public, community, and government relations.

Board of Trustees

The [Board of Trustees](#) unanimously selected Lucie Moore, JD, to serve as Chair, effective May 2023. A former corporate attorney and law firm partner, Moore has extensive experience on nonprofit boards, as an independent trustee, and as chair of the governance committee for two mutual funds. A long-standing member of APU's Board, she previously served as Chair of the Governance Committee.

Academic Cabinet

As she entered the Provost's role, Anita Henck, PhD, left a dean vacancy in the School of Education that she had served for 12 years. Simultaneously, two acting deans' terms were expiring, and an interim dean was leaving the institution. On August 3, 2023, Provost Henck announced the following appointments:

- [Marjorie Graham-Howard, PhD](#), would serve as Interim Dean of the School of Education (SOE), while concurrently continuing as the Interim Dean of the School of Behavioral and Applied Sciences (BAS), a role she accepted in January 2023. Simultaneously, Rebekah Harris transitioned from Assistant to Associate Dean for the School of Education, where she had served for 11 years with excellence and increasing responsibility, as well as on university councils and committees.
- [Louise Ko Huang, PhD](#), was appointed Interim Dean of the College of Liberal Arts and Sciences (CLAS), having previously been appointed Acting Dean of CLAS in June 2022, where she served with distinction.
- [Matt Elofson, PhD](#), was appointed Interim Dean of the School of Theology/ Azusa Pacific Seminary (SOT/APS), having previously been appointed Acting Dean of SOT/APS in June 2022, where he deeply invested on behalf of his colleagues.

With the July 31, 2023, departure of Roxanne Helm-Stevens, PhD, who had served for several years as the Interim Dean of the School of Business and Management, Provost Henck appointed department chair [Wendi Dykes McGehee, PhD](#), as the Interim Dean of the School of Business and Management, effective August 1, 2023. McGehee had a significant track record of leading innovation and partnering across and outside the university.

Provost Henck appointed [Renee Pozza, PhD](#), as Dean of APU's School of Nursing, effective October 1, 2023. A full-time faculty member since 2000, Pozza has served in senior administrative roles in APU's nationally ranked School of Nursing, including most recently as Interim Dean. In addition, she is a fellow in the American Association for the Study of Liver Diseases, only the second U.S. nurse to hold this designation.

Dr. Pozza joined [David Weeks, PhD](#), Founding Dean of the Honors College, on the Academic Cabinet, in addition to five Interim Dean colleagues—Louise Ko Huang, PhD (CLAS), [John Simons, DMA](#) (COTA), Marjorie Graham-Howard, PhD (BAS/SOE), Wendi Dykes McGehee, PhD, CF-LSP (SBM), and Matt Elofson, PhD (SOT/APS). With the impending realignment of schools and colleges, permanent Dean positions and two Vice Provost roles will be posted for hire in early 2024.

Other Organizational Changes

In an effort to reflect best practices, advance strategic priorities, and serve students well, several divisions revamped their organizational structures. Significant changes were introduced in Information Technology, Human Resources, Enrollment Management, and Student Belonging. [View organizational charts.](#)

The first significant change in 2022 included moving Information Technology and Human Resources from the President's office to the VP for Finance and Administration/CFO. This change allowed for enhanced collaboration among teams across the university.

In consultation with Human Resources, VPEM White reviewed Enrollment Management's structure, which resulted in the elimination of redundant positions, updated job designs, and realignment of positions to match present needs. The new structure supports best practices in enrollment and resource management, including implementation of the Strategic Enrollment Plan (SEP).

Senior roles in enrollment were realigned to support student-facing services. For example, three positions were designated to execute the field-based travel strategy for graduate and professional programs; another was reassigned to manage the APU Connection Center; and two more were redeployed to understaffed areas in transcript evaluation and student financial services. Redesigned roles focused on those critical for yield and student success.

The organizational chart illustrates the formation of six teams that resulted from the realignment. Each team will focus on specific enrollment operations that align with current and future strategies.

Team 1 - Traditional Undergraduate Admissions

Team 2 - On-campus Graduate and Professional Admissions

Team 3 - Online Graduate and Professional Admissions

Team 4 - Enrollment Services

Team 5 - Enrollment Operations and Analytics

Team 6 - Enrollment Marketing

APU believes that the new enrollment structure will create a higher quality of customer service, empower innovation, give opportunity for team flourishing, and support excellence in serving students.

In light of current and forecasted enrollment realities, the Student Belonging divisional areas, which include athletics, student affairs, and diversity, equity, and inclusion (DEI), were formally reviewed and organizational shifts made primarily in the student affairs area, reflecting the following changes:

- Transitioned from a multidean model to a singular dean of students providing oversight for all student affairs functional areas.
 - This change accomplished organizational and economic efficiencies:
 - Four administrative positions (3 deans and 1 director) were discontinued, with student affairs directors now reporting to the Dean of Students.
 - The restructure provides for greater synergy and collaboration, and a more defined university culture.
- Sunsetting five additional positions that were housed in the University Health Center (1), athletics (1), spiritual life (2), and DEI (1).
- Maintained core services, resourcing, and programming to support the holistic success of students, including specific services and programming that facilitate the spiritual, mental/emotional, physical, and social health and well-being of students.
- Optimized technology and reinvented systems and processes to operate more efficiently, taking into consideration the size and needs of the student body.
- Evaluated and prioritized essential services and programming to demonstrate fiscal responsibility and discernment.

New Directions for the Institution (CFRs 1.7, 3.6, 3.7)

In a commitment to transparency amidst significant institutional leadership change, President Morris has required accountability across all levels of the university. The President's Accountabilities are shared publicly at the annual Faculty/Staff Kickoff event and prominently posted on the APU employee portal, Total Access. For fiscal year 2023-24, the President's Accountabilities include the following six strategic priorities:

1. Prioritize mission faithfulness, providing increased assurance and evidence that the mission and purpose of APU is abundantly clear, with alignment and accountability throughout the organization.
2. Bring intentional spiritual and organizational leadership to the team in order to advance the mission and vision of APU. The executive team will live into the [Cabinet Covenant](#) and accelerate its efforts to reposition APU for a healthy and sustainable future.
3. Provide APU with clear strategy and vision, leading the community through required organizational change. These efforts will be anchored in the university's mission and marked by a deep care for faculty, staff, and students.
4. Lead APU toward the removal of the WSCUC Sanction, resulting in a robust final report due January 3, 2024, and a successful site visit March 13-15, 2024. President Morris will provide WSCUC with the necessary evidence that APU has implemented significant and sustainable change across all areas of concern noted in the July Letter.

5. Lead the university toward financial health and sustainability through sound financial stewardship and effective enrollment management.
6. Increase internal and external ambassadorial work, requiring additional delegation to the Cabinet and laser-like focus on the highest and best use of time.

Preparation and Organization of the Report

Institutional Work Groups

Upon receipt of the July Letter, President Morris collaborated with then-Interim Provost Stephen Johnson to form an accreditation task force. By late August 2022, the President's Cabinet established and recruited members to nine Work Groups (WGs), organized around the "Issues to Be Addressed" and "Further Recommendations" stated in the letter. The nine teams are cross-disciplinary, representing trustees, administration, faculty, staff, and students.

Campus Engagement

Beyond the development of work groups, broader community engagement was solicited to foster investment around significant university initiatives. A series of practices and events have been introduced:

- Subsequent to the Fall 2022 launch of the nine WGs chaired by a President's Cabinet member, regular updates are provided during weekly cabinet meetings, ensuring executive-level oversight and accountability and cross-WG alignment.
- Community Conversations, in-person and online gatherings of the full community following Board meetings (and per special invite), enable key administrators and invited guests to share updates and progress on critical university initiatives. In 2022-23, Community Conversations were held in October, January, February, and May, with recordings posted on the employee portal, Total Access, within 24-48 hours. In that time, in-person attendance doubled and topics ranged from board governance, the future of higher education, and five-year enrollment trends and budget actuals to campus climate preliminary findings, listening tour themes, a rebrand update, and the R2 investment. A meeting was held in November 2023 to provide updates from the October Board meeting and important initiatives. Dates are confirmed for February and June 2024.
- Dr. Morris held a series of 17 listening sessions across campus in 2022-23, engaging directly with more than 230 faculty and staff. He asked, "What would have to be true for APU to thrive missionally, organizationally, and relationally?" The comprehensive feedback amplified understanding of the areas identified in the July Letter, affording the President and Cabinet helpful insights and observations to shape current and future decisions.

Leadership Engagement

President Morris and Provost Henck have been fully engaged in the development of this report, both the process and content, while documenting broad institutional engagement in self-assessment, active response, and implementation of new systems of accountability, data-informed decisions, and community engagement at all levels of the organization. The process has been shepherded by Accreditation Liaison Officer (ALO) Bobby Duke, PhD.

Members of the President's Cabinet have invested deeply leading the nine Work Groups, developing new processes and systems, and integrating practices for institutional renewal. As the report has been developed, consultation has occurred with the Board of Trustees Chair and President's Cabinet, with updates provided to faculty and staff leadership. This report was finalized by the President's Cabinet in December 2023. The final report will be made available to the entire APU community in January 2024.

APU Community Involvement

Since receiving the Commission's July Letter, the APU community has been invited to collaborate in creating a path to place APU on solid ground. In addition to the nine Work Groups, the following has unfolded:

- WSCUC updates are a standing agenda item at the President's Cabinet meetings, with ALO engagement.
- President's Cabinet engages with the Faculty Senate, Staff Council, Student Government Association, and other existing forums upon invitation and request.
- Presidential updates occur in person and in written form, at least six times per year, combined with engagement with the Board of Trustees at the February, June, and October meetings.
- Campus updates are made by the Provost, CFO, VPSB/CDO, and other administrators through *Engage!* (employee newsletter) and other campus communications.
- Updates occur among divisional representatives during the university's monthly Community Connection meeting of communication representatives.
- Monthly updates are sent from the ALO to all employees regarding the work of the WSCUC Work Groups.
- Three surveys were administered: Campus Climate (administration, faculty, staff, students), Board Governance (trustees), and Shared Governance (trustees, faculty, staff).

Response to Identified Issues

Financial Sustainability

Delegated WGs: WG1, WG2, WG7, WG8, WG9

Per the WSCUC July Letter, the following items were noted related to financial sustainability:

...develop a three- to five-year strategic enrollment plan tied to budget planning to strengthen the financial viability of the institution. (CFRs 3.4, 4.2, 4.3, and 4.6)

Integrating Academic, Enrollment, and Financial Strategy: A Model for Institutional Flourishing

In September 2021, APU submitted its institutional report to the WASC Senior College and University Commission (WSCUC). In the report, APU addressed its financial challenges. These included: a \$15.1 million operating deficit, failure to meet the debt service coverage ratio (DSCR), a greater than expected downturn in net tuition revenue, excessive discounting beyond budget, and insufficient cash requirements to complete various construction projects on campus. During 2019-21, the previous administration offered the following strategies to strengthen APU's short- and long-term financial outlook:

- Hiring new senior leadership (President, Provost, CFO, and Vice President for Human Resources)
- Flattened organizational structure
- Reorganized Business Office
- Aggressive expense controls
- Enhanced financial planning, budgeting, and forecasting
- Right-sizing/realignment project to reduce/realign employee headcount and associated operational expenditures
- Strong Advancement fundraising
- Reevaluation of the university-owned real estate and facilities portfolio

On July 1, 2022, just 10 months after submitting its September 2021 report to WSCUC, and upon the arrival of APU's new President, Dr. Adam Morris, there were neither ample signs that the steps outlined above had been effectively implemented nor were these the key strategies Dr. Morris believed would lead to long-term financial sustainability. The stated priorities appeared to be reactive tactics to address an immediate financial crisis, while lacking proactive strategies leading to long-term fiscal health.

APU's September 2021 WSCUC report failed to connect long-term financial sustainability to a robust portfolio of academic programs integrated with a comprehensive strategic enrollment plan. This was exacerbated by the reality that, upon President Morris's arrival, there was no exiting Provost, no permanent CFO, and no Vice President for Enrollment Management (VPEM). It became clear that moving APU to a place of financial health and sustainability would become a comprehensive, ground-up rebuilding effort.

As a tuition-dependent institution, the process for building a sustainable financial model began with an evaluation of the current portfolio of academic offerings. The academic portfolio is at the very center of the university's educational mission and serves as the primary revenue engine. Therefore, failure to evaluate and strengthen the academic portfolio on a regular basis leaves the university fiscally vulnerable.

To better understand and evaluate the financial model for the academic enterprise, APU partnered with consultants from CFO Colleague on a project reviewing both academic and fiscal viability. APU defined academic viability as having enough students for sustainable classes and quality academic experiences. Fiscal viability was defined as financially sustainable operations. The viability project was conducted to provide the leadership team with a summary evaluation of all APU programs' financial productivity and sustainability. Recognizing the fragility and significance of a project like this, and wanting to honor good shared governance in the process, the President determined it was prudent to begin this project once a new Provost was hired. With her appointment, effective July 2023, Provost Henck identified program viability as a priority initiative. She partnered with CFO Dahlke to develop and launch the program viability project.

CFO Colleague was chosen for this project because of their extensive work and expertise in academic program viability assessments at more than 180 institutions of higher learning. In determining academic program health and viability, CFO Colleague analyzed course revenue and expenditure patterns, matching faculty teaching revenue by course to student tuition payments (less institutional discounts). When aggregated on a program-by-program basis, the financial viability of a program is determined. CFO Colleague established an aspirational benchmark that suggests that the healthiest of programs should experience marginal revenue (MR) of 75%, calculated as net tuition revenue minus instructional costs. Said differently, the healthiest of academic programs are those whose instructional costs do not exceed 25% of their net tuition revenue.

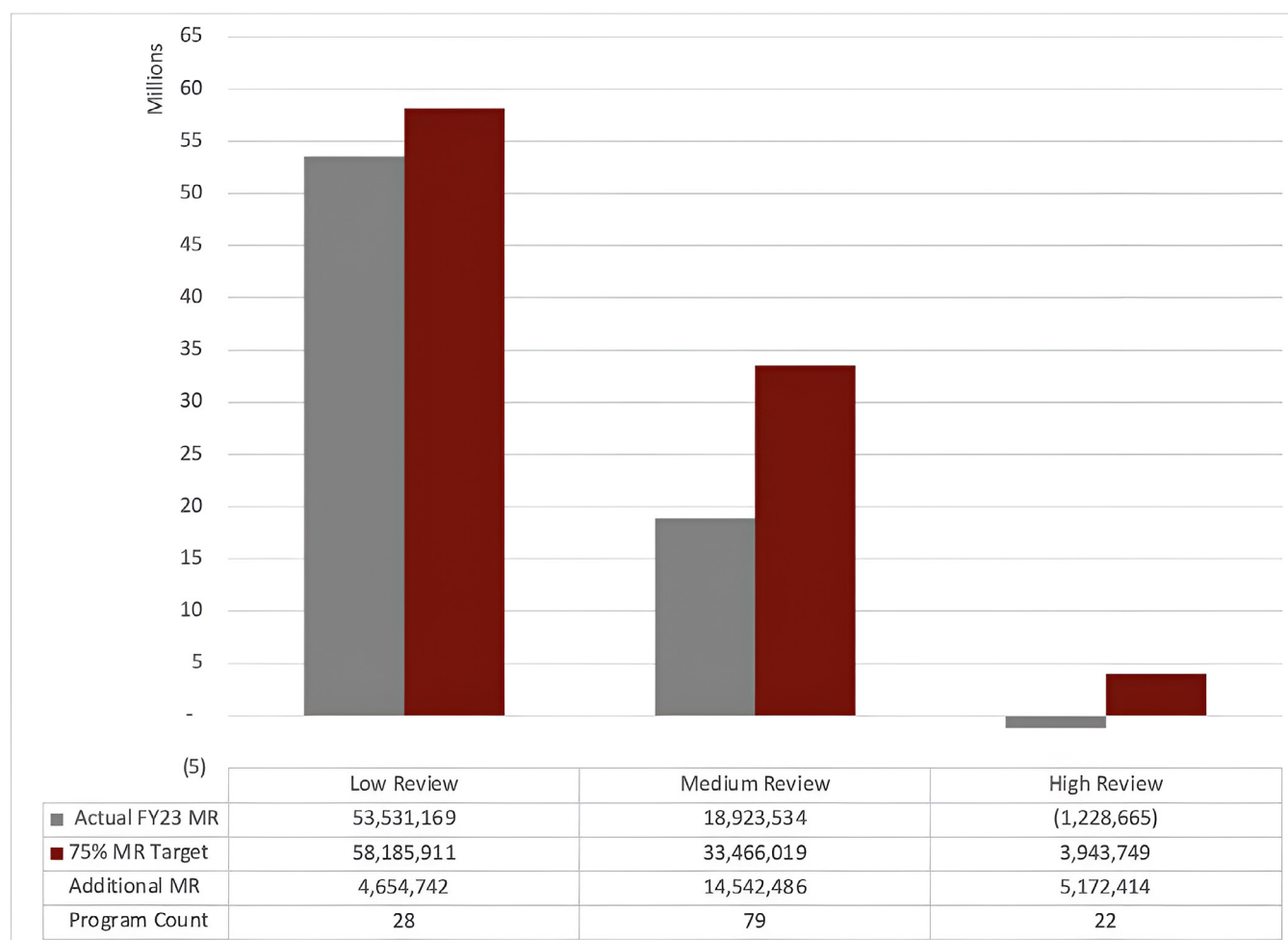
APU also retained the services of Ruffalo Noel Levitz (RNL) and Cerius Executives to conduct a comprehensive market demand analysis (Market Demand Study) with the intent of better understanding the interests/demands of prospective students and employers. The results of this work identified for APU the following:

- Current academic programs with both high and low student and employer demand
- New program opportunities linked to current/future workforce demand
- Prospective-student perceptions of APU compared to its competitors

Utilizing the data received from CFO Colleague and RNL, APU holistically reviewed which programs were not fiscally sustainable for the university. Using the 75% MR benchmark, all 129 of APU's academic programs were categorized, based on their actual MR, compared to the 75% MR benchmark, and assessed alongside the Market Demand Study. After receiving the data sets, the leadership team reviewed and reflected on the results. The review team consisted of President Morris, Provost Henck, VP EM White, CFO Dahlke, AVP of Finance Scott Martin, and Dr. Angela Becerra (Cerius Executives consultant). The team classified the programs into three categories of review relative to financial and academic viability:

- High review: Programs identified most at risk of continued negative contributions (confluence of high program cost, low market demand, and/or low enrollment trends).
 - Twenty-two (22) programs are in this category, with an aggregated negative contribution of 23%.

- Medium review: Programs identified with less-than-optimal target contributions, but showing market demand (ability to explore a program redesign to meet consumer and employer needs) or the ability to downsize expenses to improve fiscal standing (such as less reliance on full-time faculty, reduced staffing, or reduced operating expenses, among others).
 - Seventy-nine (79) programs are in this category, with an aggregated positive contribution of 42%.
- Low review: Programs identified with at- or near-optimal target contributions. Most of these also show market demand that might provide opportunity to expand enrollments (increase program caps, expand program locations, etc.)
 - Twenty-eight (28) programs are in this category, with an aggregated contribution of 70%.

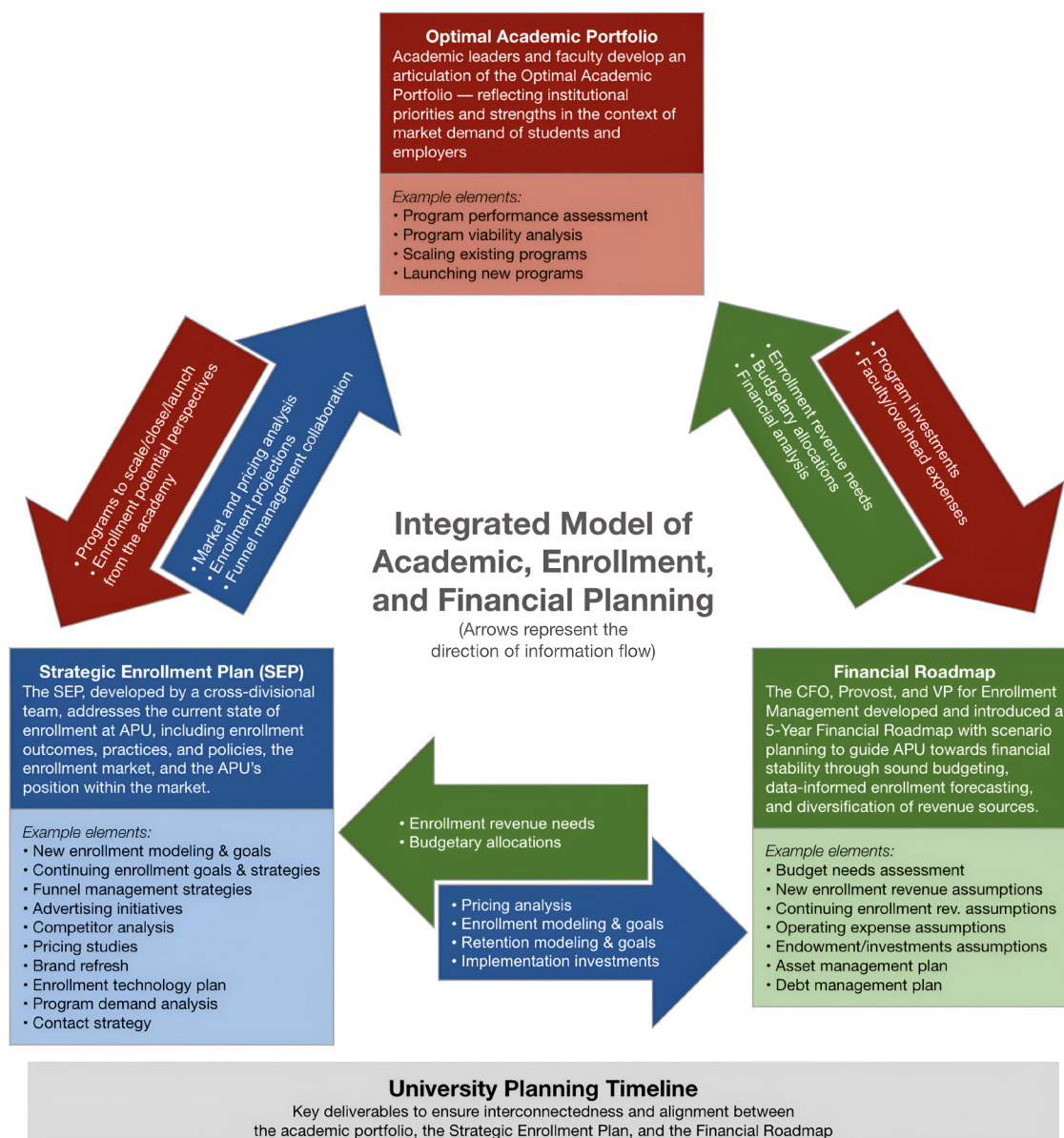


The above graph demonstrates potential revenue realized (by review category), if programs were functioning at the 75% MR benchmark. If all 129 programs were functioning at 75% MR, APU has the potential to realize an additional \$24.4M of marginal revenue on an annual basis, putting the university in a financially sustainable position.

En route to building an “Integrated Academic, Enrollment, and Financial Strategy Model” for APU’s future, the above analysis becomes an invaluable tool. This tool aids the Administration in making a series of strategic decisions on how to best optimize the academic portfolio—specifically to determine how to improve MR across the academic enterprise for financial sustainability.

By November 2023, APU had the work of CFO Colleague, RNL, and Cerius Executives in hand and aligned the data. In some cases, for example, APU identified academic programs with low enrollment and/or low marginal revenue, yet the Market Demand Study showed strong potential. This was a call for possible program redesign and/or reinvestment. In other cases, APU sensed that some academic programs were scalable and the Market Demand Study confirmed this assumption. Thus, several programs are now candidates for aggressive reinvestment. As stated earlier, the viability project showed several programs (22) with negative contribution margin, and the Market Demand Study confirmed little student/ employer demand for many of those programs, prompting recommendations for teachout/closure. Additionally, the Market Demand Study identified 15 high-demand programs not currently in the portfolio of academic offerings. These will be further vetted by the university and possibly integrated into the academic portfolio in the near term.

With the academic and fiscal viability data now in hand (from CFO Colleague), along with the results of the Market Demand Study (RNL and Cerius Executives), APU has sufficient clarity to begin building its Optimal Academic Portfolio, therefore informing the [Strategic Enrollment Plan \(SEP\)](#) and driving the long-term financial model. The intentional integration of these three functions serves as the backbone to sound financial planning (see illustration below).



Strategic Enrollment Plan (CFRs 3.4, 4.6)

With patterns of sustained enrollment decline, it became imperative that APU develop a comprehensive Strategic Enrollment Plan (SEP) to identify, recruit, enroll, retain, and graduate quality students in accordance with the university's mission while also maintaining financial sustainability. Recognizing that an SEP is an institution-wide responsibility that takes roughly 16-18 months to design, APU has made great strides in building and implementing an SEP, believing it to be a living document that is able to respond to the changing enrollment landscape. Given the situation with newly appointed leadership teams, APU has an initial SEP and will continue to collaborate, reflect, and further develop a more comprehensive five-year plan by the end of FY24.

The strategic enrollment planning process was initiated with RNL in 2021, and aided in 2023 by consultants, including Fuller Higher Education, Kanahoma, and Carnegie. The tactical plan to include multiple consultants ensured that APU had a holistic picture of data before drafting the SEP. The consultants specialized in different areas, including marketing, brand messaging, market demand analysis, enrollment management, and student engagement. Once APU received the results from all consultants, leadership compared these data sets with academic and fiscal viability data, leading them to initiate a dedicated, cross-functional Work Group (WG2). WG2 tethered their work to a [strategic enrollment planning process](#) to guide their efforts.

The [Strategic Enrollment Plan \(SEP\)](#) is operational through specific action plans, all designed to reach targeted student populations and enrollment projections. Each action plan states the strategic objective using the SMART (specific, measurable, attainable, realistic, timebound) approach. The SEP provides the key linkage between budget and projection planning in order to inform APU's long-term financial model. The SEP calls for routine assessment and modifications, in partnership with the Academy and CFO, guided by key performance indicators and comprehensive university-wide feedback. The plan encompasses one-time and continuing strategies to influence enrollment cycles and align recruitment efforts leading to fiscal sustainability.

A draft of the SEP was presented for feedback to the President's Cabinet in September 2023; to the Academic Cabinet, Board of Trustees, and Faculty Senate in October 2023; and at school/college faculty gatherings in November 2023. As outlined in the SEP, WG2 identified five key priorities to stabilize enrollment and provide long-term financial sustainability. The five priorities include:

- Engage fully in the current and new program viability project that leads to an Optimal Academic Portfolio.
- Expand market share.
- Enhance engagement with prospective students.
- Empower student success.
- Elevate enrollment adaptive capacity.

Engage Fully in the Current and New Program Viability Project that Leads to an Optimal Academic Portfolio

Development of an integrated Optimal Academic Portfolio, Strategic Enrollment Plan, and Multiyear Financial Roadmap is a first for Azusa Pacific University. Some of the work began in FY23, under the leadership of the new CFO and VPEM. With the hire of Provost Henck in July 2023, the collaborative development of the Optimal Academic Portfolio is under way. Utilizing the viability tool provided by CFO Colleague, Market Demand Analysis by RNL and Cerius Executives, and facilitated conversations with faculty, efforts have focused on resourcing and scaling the current program offerings and vetting potential new programs.

The Optimal Academic Portfolio will steer efforts in marketing and recruitment strategies to ensure APU reaches quality prospective students who embrace the university mission and vision. Much research to inform this body of work has already been completed, and APU anticipates making initial decisions, particularly as they relate to existing programs, during Spring 2024, with some expanded programs to launch by Summer and Fall 2024. Potential new program developments would launch in Fall 2025 and beyond.

Expand Market Share

Efforts had begun in 2021-22 to expand market share when RNL conducted a comprehensive analysis of APU's brand identity, its standing in the marketplace, and the alignment of messaging with APU's value proposition as a Christian institution. The analysis looked at both internal and external factors contributing to declining enrollments. As members reflected on findings in the viability studies and conclusions shared in the Carnegie and Kanahoma reports, the group discovered a theme of challenges stemming from a lack of clear institutional identity and inadequate resourcing of forward-facing marketing and recruiting operations.

Specifically, the team identified substantial challenges with the university's website and enrollment technology. Furthermore, the RNL analysis looked at the existing state of stakeholder engagement related to traditional undergraduate student populations, specifically among parents, churches, Christian K-12 education, community colleges, and local school districts. Focusing on the adult learner segment, WG2 examined community-based organizations, businesses, medical systems, and alumni. In order to reclaim and expand market share, it became abundantly clear that APU needed to take swift action to improve brand identity within the marketplace.

In response to the above, the following action steps have been taken. The university:

- Adopted a new brand identity. In summer 2022, APU hired Carnegie to conduct perception research, administer stakeholder surveys, and offer clarity on the university brand. At the 2022 Faculty/Staff Kickoff, more than 750 APU community members participated in a workshop to identify the university's current brand attributes and aspirational characteristics (see SEP Action Plan A3). By January 2023, the APU community adopted a new university-wide brand identity applied to all forms of written and digital communication. Perhaps most significant was a complete redesign of APU's website under the leadership of Vice President for Strategic Communication and Engagement (VPSCE) Maureen Taylor, providing an enhanced user experience that prioritizes engagement with prospective students. August 2023 brought the introduction of a new suite of undergraduate marketing materials, including [a new viewbook, general interest brochures, billboards, and social media](#). On October 31, 2023, Phase 1 of the [redesigned website](#) debuted and included a new homepage, program pages, and program finder. New admissions and financial aid pages are slated for January 2024, followed by the migration of the rest of the website during the final phase in Spring 2024. New branding materials for APU's prospective graduate and professional student segments will be introduced in Fall 2024.
- Increased its advertising spend by \$1 million in July 2023, to better position APU's mission, brand, and academic offerings, and impact in the market. Using the results from the Market Demand Study and the viability project, APU employed a comprehensive promotional strategy focused on programs with growth potential via a multichannel approach, maximizing digital marketing efforts across various platforms (see SEP Action Plans T1, P1, and G1). Based on previous success with graduate and professional programs, the

advertising spend will be focused on traditional undergraduate (TUG) recruitment efforts, where the university is seeing the largest decline of prospective students. The leadership team will continue to monitor the results from these marketing campaigns and adjust accordingly.

- Utilized external marketing vendors to expand market reach (see SEP Action Plans T2 and G2). Using external vendors is a common tactic used by universities nationwide. The leadership team will monitor vendor results and make adjustments to budget allocation to ensure that those vendors bring the highest-qualified prospects to the university.
- Implemented a travel plan to deploy field-based recruitment practices with the intent of advancing community relationships and strengthening prospective student pipelines (see SEP Action Plans T3, P2, and G3). Each year, the leadership team will identify targeted areas where APU can help to bridge the employment gaps within the community.
- Created pathways for high school and community college students to complete their degrees and welcome them to the APU community (see SEP Action Plans D2, T8, P5, and G6).
- Developed a [microsite](#) and marketing material specifically geared toward growing relationships in China. To enhance the international student experience, an International Services office was established, centrally locating support, compliance, and community services (see SEP Action Plan T7).

Enhance Engagement with Prospective Students

While APU had notable enrollment challenges in recent years, data show a softening in the enrollment funnel dating as early as Fall 2014, when application volume began to plateau and yield rates experienced steady decline. Despite a temporary boost in application and admit rates in Fall 2016, the gains proved to be transient, with yield rates decreasing even more sharply through Fall 2023.

To combat this trend, APU's Strategic Enrollment Plan (SEP) has initiated a number of strategies, including:

- Redesigned student visit experiences – APU understands that the best way for students to embrace the university in its entirety is to step onto the campus and experience the culture. Therefore, the on-campus visitation experience has been reimaged through enhanced programming, greater faculty engagement, and promotion of APU's brand attributes (see SEP Action Plan T5). The leadership team will review the student feedback from their campus visits, as well as conversion rates, and make enhancements as needed.
- Enhanced contact strategy – APU strives to provide students with a great overall experience from day one. Based on the data provided by Carnegie, APU revised its contact strategy to better engage students, build affinity, and improve overall student interactions. This omni-channel approach is a proven method that results in higher student enrollment numbers (see SEP Action Plans T6, P4, and G5).
- Implemented Slate, an integrated customer relationship manager (CRM) platform. Slate is known for its ability to leverage enrollment operations in data, staff workflows, student experience, events, admission decisions, automations, API integrations, document management, checklists, payments, and market research. The use of Slate enables the Enrollment Management team to improve recruitment and marketing strategies and provides APU with comprehensive dashboards to aid in making data-driven decisions. Full implementation and adoption is scheduled for January 2024 (see SEP Action Plan A2).

Empower Student Success

The SEP also addresses student retention, another key variable in addressing APU's long-term financial sustainability. Noting the decline in persistence of first-time, full-time freshmen from 81% in Fall 2019 to 77% in Fall 2022, WG2 affirmed the findings generated by RNL's internal situation analysis and identified:

- The need for a more effective use of data and technology to support student success. This involves the disaggregation of data, identification of data gaps, dissemination of data to faculty and staff, and training initiatives to enhance the utilization of data in proactive decision-making.
- The significance of having consistent resources and services across all student populations.
- The importance of establishing institutional definitions around student success.

To address these concerns, APU has taken the following steps:

- Acquired and implemented Stellic, a retention software platform that increases data visibility, manages student care, coordinates degree completion, enables advocacy, and predicts retention/attrition risk to support the retention, persistence, and graduation targets of APU students. The software enables APU to offer students proactive success tools such as tutoring, writing resources, and counseling services with the intent of improving overall student experiences and retention rates.
- Established a Student Success Network, a team of academic success coaches, department-level academic advisors, and other key university personnel (campus pastors, student life advisors, resident assistants, coaches, etc.). Implementation of this network provides students with trusted mentors and continuous resources throughout their educational journey at APU (see SEP Action Plan A5).
- Added two academic success advisors to support the professional undergraduate student segment. After reviewing survey outcomes from this population of students, APU utilized these success advisors to provide registration support and advising services. Student surveys will continue after each term and additional support services will be provided as needed (see SEP Action Plan P8).
- Established a Student Retention Advisory Committee (see SEP Action Plan A8).
- Implemented a Learning Assistants program. Learning Assistants were placed in courses with an elevated pattern of high failure rates to focus on college-success coaching tools (see SEP Action Plan T16). The leadership team will continue to monitor for improved retention in these courses and pivot as necessary.
- Based on previous success at the institution, APU revitalized the Summer Bridge program for first-generation, low-income students (see SEP Action Plan T13).
- Promoted the APU CARES program, a campus-based, online referral system for at-risk students needing intervention, coaching, advising, or academic assistance. Initial results in 2022-23 reported that 589 traditional undergraduate students, 24 professional students, and 88 graduate students were assisted by this program (see SEP Action Plans T14, P9, and G11).
- Developed a plan for additional research on student success factors, including establishing institutional data definitions (in collaboration with WG9), qualitative data collection, and analysis processes (see SEP Action Plans T13, P8, P11, and G14).

As APU continues to implement and leverage the power of Stellic, next steps include:

- Partnering with academic units to increase usage among professional and graduate students.
- Furthering engagement with campus faculty, staff, and administrators to expand usage.
- Developing clear pathways for follow-up once a student is flagged as “at risk.”
- Integrating additional campus data sets that will provide insight into student behavior.

Elevate Enrollment Adaptive Capacity

Amidst a season of great change in higher education, APU must become nimble in its response to an ever-changing, unpredictable enrollment landscape. The SEP calls for routine assessment, modification guided by key performance indicators, and comprehensive university-wide feedback. As stated earlier, the SEP encompasses one-time and continuing strategies to influence current and future enrollment cycles.

APU places great value on how a robust SEP fosters a shared understanding of the current state of enrollment at the institution, including enrollment outcomes, the influence of institutional attitudes, practices, and policies on those outcomes, the prevailing enrollment market, and the institution’s position within that market. It will be a critical facet of the university’s long-term institutional Strategic Plan, which has numerous intersections with the Optimal Academic Portfolio and budget planning where each body of work coherently informs and aligns toward the same high-level objectives. Members of WG2 underscored that historical silos and fragmented data systems have impeded reaching a shared understanding, resulting in a diminished capacity for adaptability. Addressing these issues is crucial for enhancing APU’s ability to navigate the evolving enrollment landscape effectively (see SEP Action Plans A6 and A9).

Early Indicators

Under the leadership of VPEM White, APU’s Enrollment Management division has been simultaneously tasked with enhancing its daily admissions and financial aid practices to impact the current academic year, while also developing and quickly implementing a collaborative multiyear SEP. Aided by a plethora of new strategies and tactics, APU is beginning to see early signs that in-year strategies are bearing fruit. Consider the following:

- Fiscal year-to-date inquiries for APU’s student segments increased from 9,117 (July-December 2022) to 13,650 (July-December 2023), a 33% increase (see chart 1).
- Congruent with the inquiries generated, Fall 2023 professional and graduate new student numbers rose from 945 in 2022 to 971, a 2.8% increase over last year. Graduate new student enrollment numbers for Spring 2024 are trending up 91 students or 33% ahead of last year (see chart 2).
- Early signs show that the student success strategies are improving retention. Freshman retention rates hit a five-year high, going from 77% in Fall 2022 to 83% in Fall 2023 (see chart 3).

The results correlate to execution of the advertising, rebranding, travel, and student success strategies in the SEP. Given the strategies identified and implemented herein, along with the additional steps APU will take as it advances the SEP, the university believes it is reasonable to expect the stabilization of TUG enrollment in the short term, followed by modest sustained growth as these strategies are supported and implemented with fidelity. As such, a 3% new student growth in TUG beginning Fall 2026 is modeled in the Multiyear Financial Roadmap. Furthermore, the university sees growth potential in professional undergraduate and graduate segments as well, also modeling a 3% growth rate for those segments in the Multiyear Financial Roadmap.

APU acknowledges that it is early in its implementation of the SEP and mindful of the predicted enrollment cliff. APU also believes implementing a sound, integrated enrollment management strategy will provide APU with a plan for far greater financial stability. The preliminary results outlined above for enrollment and retention show promising signs that APU has adopted practices that will result in positive outcomes (see charts below).

Chart 1 - 5-Year Fiscal Year to Date (July-December) Inquiry Trends

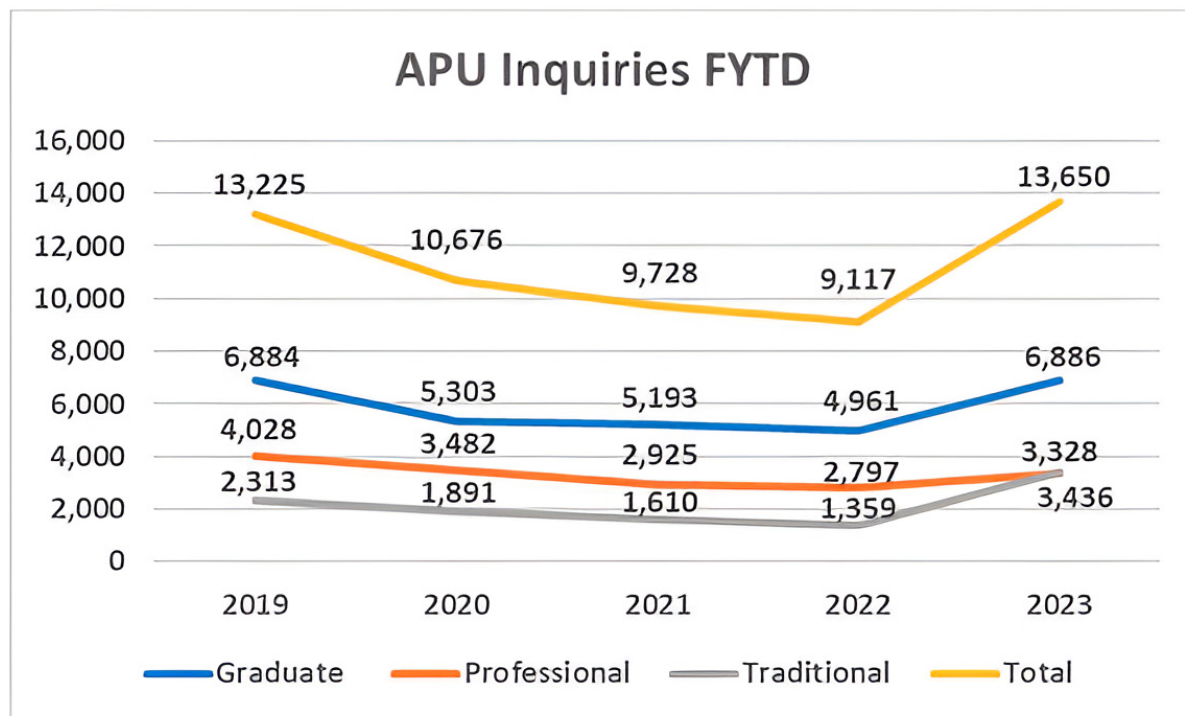


Chart 2 - Graduate New Student Year-to-Date Trends | Spring Entry Term

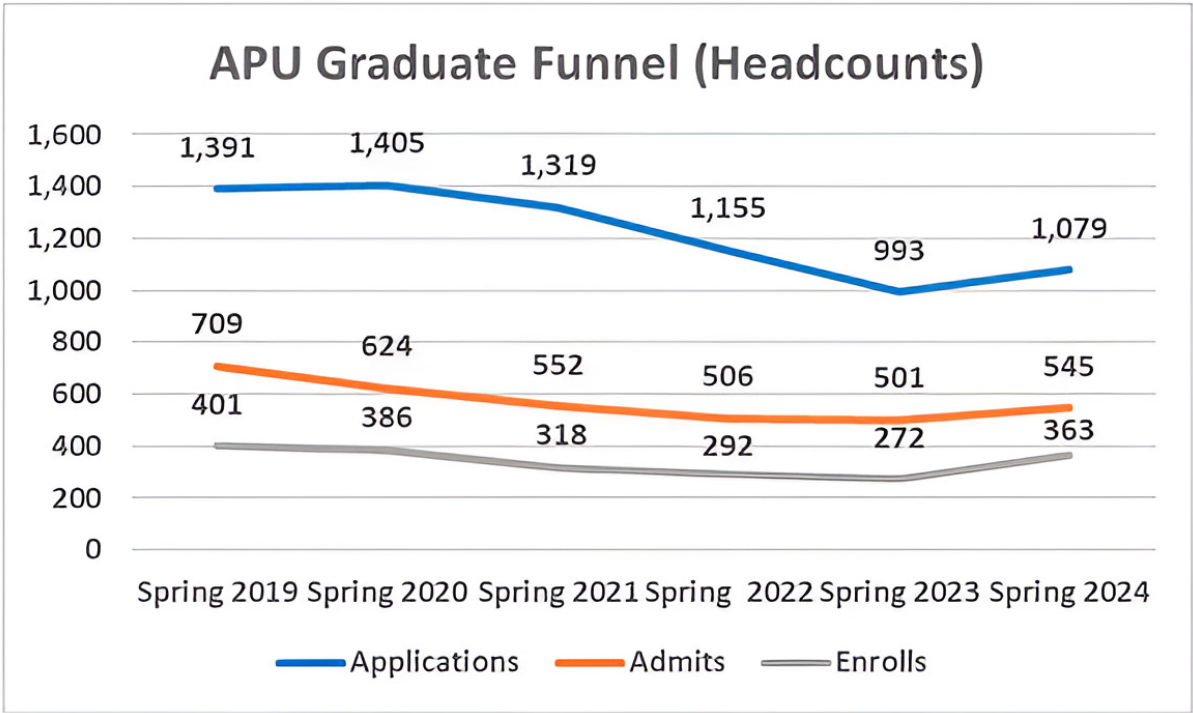
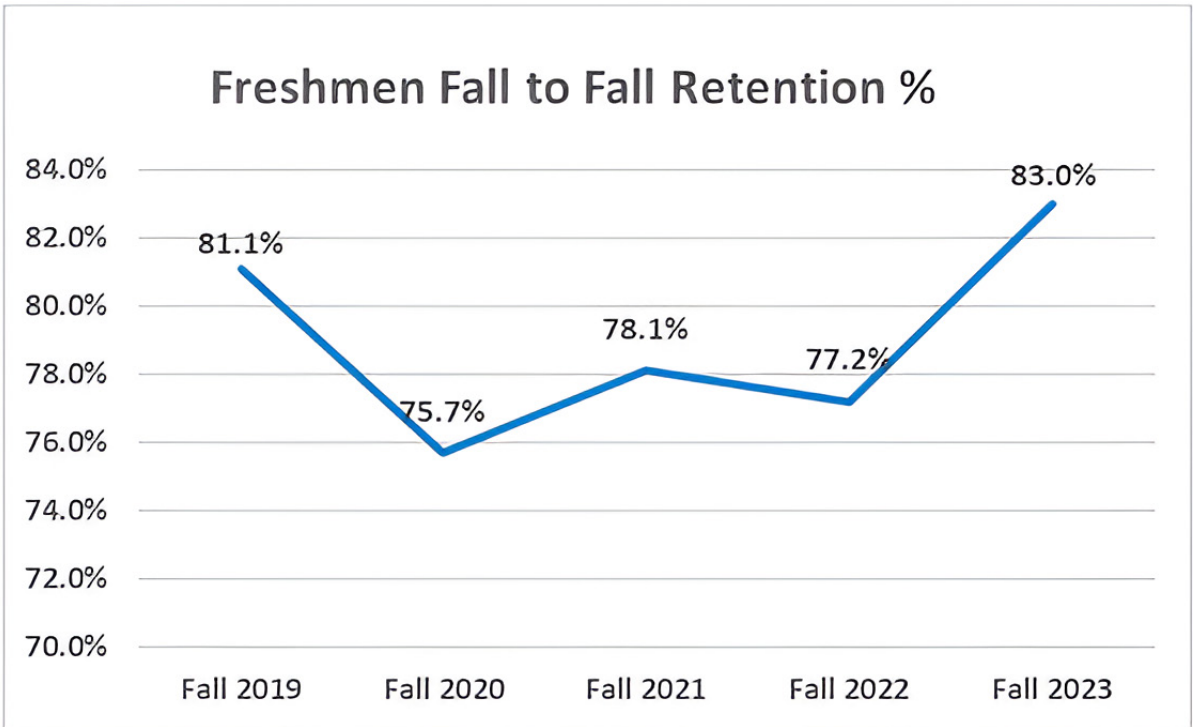


Chart 3 - 5-Year Retention Rate Trends



Multiyear Financial Roadmap (CFRs 3.4, 4.6)

Recognizing the inextricable linkage between APU's Optimal Academic Portfolio and the SEP, APU is now in a far more informed position to build a roadmap toward financial sustainability. Aligned with the Commission's recommendation that the SEP be tied to budget planning, Work Group 1 (WG1) began its assignment with a series of strategic questions:

- Is resource planning and development defined as creating a realistic budget, making sound enrollment projections, and diversifying the university's revenue?
- How is resource planning integrated with all other aspects of institutional planning?
- Are financial resources aligned with educational purposes and objectives?

Addressing these questions extended beyond the sole purview of WG1 and prompted meaningful engagement with additional stakeholders, including WG2 (5-Year Strategic Enrollment Plan), WG8 (Program Assessment and Review), and WG9 (IT/Data Infrastructure). WGs 1, 2, 8, and 9 developed the University Planning Timeline (UPT): A Guide to Academic, Enrollment, and Budget Integration, a comprehensive planning document. Transforming APU into a sustainable institution requires key data (WG9) that informs the academic portfolio (WG8), guides enrollment and marketing strategy (WG2), and is anchored in sound fiscal principles governed by a standard fiscal calendar (WG1).

The process of creating a Multiyear Financial Roadmap required WG1 to outline resource planning and development, including sound budgeting, data-informed enrollment forecasting, and diversification of revenue sources. The UPT aligns the work of various stakeholders in a way "integrated with all other institutional planning" (CFR 3.4), with the goal to eliminate organizational silos. What began as a deliverable for WG1 quickly became a strategic and guiding document cocreated and shared by the chairs of several other Work Groups.

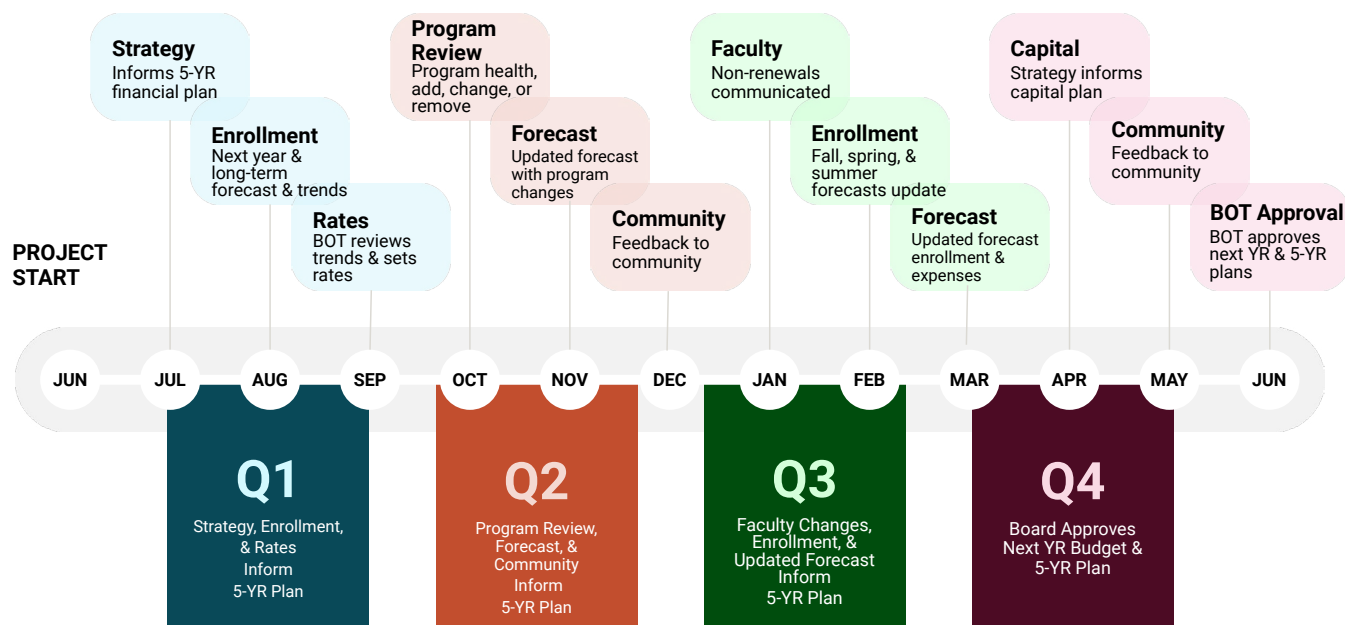
Developing a Multiyear Financial Roadmap for APU is an iterative process—first presented to the Board of Trustees at their May 2023 meeting, followed by a series of preliminary scenarios shared with the Board at their October 2023 meeting. Although the program viability project had not yet concluded, early financial modeling gave the Board insight as to how the revised Optimal Academic Portfolio, when aligned with the SEP, will inform APU's financial model.

University Planning Timeline: A Guide to Academic, Enrollment, and Budget Integration (CFRs 3.4, 4.6)

APU's new University Planning Timeline (UPT), illustrated below, aligns the work of various stakeholders in order to be "integrated with all other institutional planning" (CFR 3.4).

University Planning Timeline: A Guide to Academic, Enrollment and Budget Integration

Creating a Multi-Year Financial Roadmap for Building Financial Stability



The UPT exemplifies the interconnectedness and alignment of the Optimal Academic Portfolio, SEP, and Multiyear Financial Roadmap. The seven major deliverables of the UPT include:

1. Annual Program Performance Assessment
2. Program Fiscal Review (Program Viability - see p. 47, Develop Program Review section)
3. 5-Year Strategic Enrollment Plan
4. Department Benchmarks
5. Subsequent Fiscal Year's Budget by Department
6. Multiyear Financial Roadmap
7. 5-Year Capital Plan, including IT

The [detailed UPT](#) contains 73 annual action items, to be completed over the course of 12 months, beginning in July of each year. When aligning the work of the Optimal Academic Portfolio, the SEP, and the timeline outlined above in the UPT, along with additional strategic decisions yet to be made, APU has developed the following roadmap that will lead to long-term financial sustainability.

Strategies and Implementation of the Multiyear Financial Roadmap (CFRs 3.4, 4.6)

Fiscal Year 2023

The Board of Trustees and Administration established the following strategies for fiscal year 2023, all of which have been accomplished:

- **Hire and retain key talent:**
 - President Morris takes office (July 2022).
 - CFO Aaron Dahlke takes office (October 2022).
 - VPEM Michael White takes office (October 2022).
 - AVP of Finance Scott Martin takes office (October 2022).
 - VP for Advancement Andrew Barton takes office (January 2023).
- **Reset debt structure:** In 2015, APU's refinancing initiatives resulted in \$65 million of debt issued through a three-year renewable agreement with Wells Fargo Bank (2015 Series A Bonds) and \$67 million of debt issued through a group of institutional investors (2015 Series B Bonds). These agreements have covenants, including the debt service coverage ratio (DSCR) of 1.2 times what is needed to service the debt. The DSCR is a measure of the cash flow available to pay current debt obligations. DSCR measures a business' cash flow versus its debt obligations. Lenders use DSCR to determine whether a business has enough net operating income to pay back loans. Since our obligation is 1.2, APU must have 120% of what is needed to service the debt. In August 2022, APU refinanced the 2015 Series A Bonds by issuing \$58 million fixed-interest series A bonds ("2022 Series A Bonds"), \$15 million floating interest rate series B bonds ("2022 Series B Bonds"), and draw-down floating interest rate \$10 million series C bonds ("2022 Series C Bonds") with Hamlin Capital Management (Hamlin), providing a long-term loan at a favorable rate. In doing so, APU achieved an investment grade rating from FitchRatings. APU prepaid two years of Hamlin principal and interest payments to relieve fiscal pressure in the near term, and remains subject to financial covenants that limit flexibility. Further prepayment of all or a portion of outstanding debt is being evaluated to enhance financial stability. The 2022 Series C Bonds provide additional liquidity of up to \$10 million. As of November 30, 2023, the 2022 Series C Bonds remain undrawn (see p. 25, Resources and Infrastructure Investment).
- **Build liquidity through asset sales (\$87 million).** APU sold underutilized real estate in Fall 2022, yielding \$87 million in cash for strategic investment and new initiatives. The balance of the university's off-campus real estate portfolio is currently being evaluated as a source of additional proceeds for infrastructure investment, including debt prepayment (see p. 25, Resources and Infrastructure Investment).
- **Create an operating budget.** For the past five years, APU struggled to approve a strategic operating budget before the start of the fiscal year. In the first eight months after taking office, the CFO, with the assistance of the AVP of Finance working collaboratively with the then-Interim Provost, Deans, Department Chairs, and Cabinet VPs, adjusted the FY23 Budget, and prepared and approved the FY24 Budget. The new Budget Planner FY24, a detailed guide with key dates and deliverables for the budgeting process, was presented by CFO Dahlke to WG1 at its February 2023 meeting and shared university-wide at the Community Conversation in May 2023. Zero-based budgeting and planning for declining expenses were emphasized in light of projected

revenue shortfalls. AVP Martin met with Budget Managers, including Deans and Department Chairs, to elicit community feedback on the FY24 Budget. Following healthy campus-wide engagement, the FY24 Budget was finalized and approved by the Board of Trustees in June 2023.

Fiscal Year 2024

The Board of Trustees and Administration established the following strategies for 2024. Those indicated below in bold were accomplished as of the date of this report or are in process, and the remaining strategies will be completed throughout the remainder of 2024.

- **Hire and retain key talent:**
 - Provost Henck takes office (July 2023).
 - Chief Strategy Officer Shynn takes office (October 2023).
- **Build an Academic Program Viability model and evaluate all 129 programs** (see illustration on p. 14).
 - Presented results to Faculty Senate, Staff Council, Deans, and Department Chairs, as well as at an All-Faculty meeting, engaged in dialogue, and received feedback.
- **Develop the Strategic Enrollment Plan (SEP)** (see p. 9).
- **Develop the University Planning Timeline (UPT)** (see p. 21).
 - The UPT was shared with the Faculty Senate, Staff Council, Deans, Department Chairs, and the entire community to provide transparency for the integrated budgeting process.
- **Use the academic and fiscal viability results to make decisions on program teachouts and FY25 faculty contracts.**
 - As of the writing of this report, all 22 high-review programs have been given the opportunity for detailed reviews with Deans and Chairs meeting with the Provost, CFO, and AVP of Finance.
 - Deans and Chairs for the 22 high-review programs are in the process of making recommendations to improve the academic and financial outcomes for each program. Options include program closure, ceasing to admit (while reviewed for program redesign and relaunch, or closure), reductions of personnel and/or operating expenses, and operating changes (e.g., course frequency, rebalancing spending, and reducing personnel costs).
- Using academic and fiscal viability results, invest in current programs that have growth potential.
 - As of the writing of this report, conversations have begun with Deans and will move toward prioritization in Spring 2024.
- Announce the final restructure of APU's schools and colleges.
- Conduct an analysis of APU's regional campuses that includes consideration of each location's program portfolio in relation to the needs and enrollment potential within the respective region, along with a fiscal analysis that assesses contribution margins that incorporate location-specific overhead (i.e., leases, staffing, and operational overhead) and the value of a location for achieving the university's long-term strategies.
- Identify capped programs with growth potential; develop strategy for investment/expansion.
 - As of the writing of this report, conversations have begun with Deans and will move toward prioritization in Spring 2024.

- **Improve TUG retention through student success measures.**
 - Grew TUG freshman retention from 77% in Fall 2022 to 83% in Fall 2023.
- **Benchmark all nonacademic departments for efficiency/effectiveness in accordance with the UPT.**
 - Dining Services benchmarking is in process.
 - Athletics benchmarking is in process.
 - Enrollment Management benchmarking is in process.
 - Advancement benchmarking is in process.
 - Auxiliaries benchmarking is in process.
- Make required budget reductions (as necessary).
- Prepay principal and interest on 2015 Series B Bonds in April 2024.
- Meet the required loan covenants including debt service coverage ratio (DSCR) of 1.2, TUG enrollment requirement of 1,840 average headcount, and graduate/professional (Grad/Pro) units-sold requirement of 90,880 for the full fiscal year.
- Sell Administration West, a small commercial Azusa property owned by the university.
- Continue to implement the strategies and tactics outlined in the SEP.
- Present to the Board in February 2024 a Multiyear Financial Roadmap tied to the SEP and incorporating the results of the CFO Colleague viability project.
- Provide to the Board the initial FY25 Budget in February 2024, with final presentation in June 2024.
- **Anticipate 0% growth in TUG new student enrollment for FY24.**
 - In June 2023, APU lowered TUG Fall 2023 new student enrollment projections that were incorporated into the FY24 Budget.
- Complete initial University Strategic Planning development process and launch implementation shortly thereafter (June 2024).
- Update the Master Plan/Specific Plan tied to the SEP, forecasted student growth, and optimal use of assets (June 2024).

Fiscal Year 2025

President Morris and his Cabinet established the following strategies for fiscal year 2025:

- Drive additional current programs toward 75% MR.
- Continue investment in current programs with growth potential.
- Align university practices with the UPT.
- Improve TUG retention from 83% to 84% through enhanced student success measures.
- Benchmark all nonacademic departments for efficiency/effectiveness.
- Prepay principal and interest on bonds, if needed.
- Meet the required DSCR of 1.2, TUG enrollment requirement of 1,840 headcount, and Grad/Pro units-sold requirement of 90,880
- Consider additional asset sales.
- Consider recapitalization opportunities for debt structure.

- Launch five or more new academic programs.
- Consider diversification of revenue sources (like growing the endowment and investment income, increasing grants, and other sources) to reduce tuition dependency.
- Reach full strategic alignment with Los Angeles Pacific University (LAPU).
- Continue implementation of the strategies and tactics in the SEP.
- Make required budget reductions, as necessary.
- Provide to the Board the initial FY26 Budget in February 2025, with final presentation in May 2025.
- Present to the Board an updated Multiyear Financial Roadmap tied to the Optimal Academic Portfolio and SEP in June 2025.
- Anticipate 0% growth in TUG new student enrollment.
- Anticipate 3% growth in Grad/Pro units sold.
- Launch a 5-Year Comprehensive Fundraising Campaign (estimated to be more than \$100 million).

Fiscal Year 2026

President Morris and his Cabinet established the following strategies for 2026:

- Using academic and fiscal viability results, drive additional current programs toward 75% MR.
- Using academic and fiscal viability results, continue investment in current programs with growth potential.
- Align university practices with the UPT.
- Grow TUG retention from 84% to 85% through student success measures.
- Continue to benchmark all nonacademic departments for efficiency/effectiveness.
- Continue to make required budget reductions, as necessary.
- Continue to prepay principal and interest on bonds, if needed.
- Continue to meet the required DSCR of 1.2, TUG enrollment requirement of 1,840 average headcount, and Pro/Grad units sold of 90,880.
- Launch at least five new academic programs.
- Continue development revenue diversification to reduce tuition dependency.
- Continue to implement the strategies and tactics in the SEP.
- Provide to the Board the initial FY27 budget in February 2026, with final presentation in May 2026.
- Present to the Board an updated Multiyear Financial Roadmap tied to the Optimal Academic Portfolio and SEP in June 2026.
- Anticipate 3% growth in TUG new student enrollment.
- Anticipate 3% growth in Grad/Pro units sold.
- Continue fundraising efforts.

Resources and Infrastructure Investment (CFR 3.4)

Despite the fiscal and enrollment challenges of recent years, APU is considered financially stable and has the unqualified independent financial audits and resources sufficient to support a strategy for long-term viability. Azusa Pacific University and Subsidiary received unqualified audit opinions from Capin Crouse LLP for fiscal year 2023, and

2022 consolidated financial statements. In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events (considered in the aggregate) that raise substantial doubt about Azusa Pacific University and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. Capin Crouse concluded, in their judgment, there are no conditions or events, considered in the aggregate, that raise such doubt or concern.

As a part of fiscal due diligence, APU also reviewed university-owned properties and concluded there were a few that were no longer essential to the university. With fewer traditional undergraduate students and an increase in proportion of graduate and professional students, APU's strategy for space utilization is changing. Following a thorough internal study in Fall 2022 that looked at student housing occupancy rates, classroom usage, and faculty and staff office requirements, the university sold a portion of its nonessential portfolio of off-campus real estate, including the Alosta Properties, composed of three apartment buildings, and Citrus Edge, a nearby commercial building.

The combined net property proceeds from the sale are as follows:

	Alosta Properties	Citrus Edge	Total
Sales Proceeds	\$81,000,000	\$6,285,000	\$87,285,000
Closing Costs	(\$1,182,389)	(\$302,302)	(\$1,484,691)
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Net Proceeds	\$79,817,611	\$5,982,698	\$85,800,309
Proceeds/Repayment to Endowment	(\$12,367,590)	(\$1,219,862)	(\$13,587,45)
Loan Repayment	—	(\$1,179,723)	(\$1,179,723)
Invested with Hamlin	(\$5,000,000)	—	(\$5,000,000)
	<hr/>	<hr/>	<hr/>
Available for Use	\$62,450,021	\$3,583,112	\$66,033,133

In Spring 2023, the CFO led the President's Cabinet in developing the [Guiding Principles and Preliminary Targets for the Use of the Real Estate Sale Proceeds](#). In May 2023, these principles were presented to the Financial Affairs Committee of the Board of Trustees to ensure that resources are aligned with educational purposes and objectives (CFR 3.4). The use of real estate proceeds is to provide greater financial stability, improve liquidity, and give the Administration working capital to invest in academic and enrollment growth initiatives.

Following the sale of the real estate noted above, APU identified several areas for strategic reinvestment to bolster APU's systems and structures. In doing so, the Board released \$14.6 million (through October 23, 2023) toward the following:

- \$4.5 million to prepay principal and interest on the 2015 B bonds to reduce the debt service coverage ratio.
- \$4.9 million for residence hall improvements, academic facilities, and campus beautification.
- \$2 million for research equipment to support APU's research endeavors as an R2 institution.
- \$1.2 million on IT infrastructure, software, and classroom upgrades.

- \$857,000 on university-wide rebranding initiatives including the work with Carnegie, the website refresh, and a new content management system.
- \$156,000 toward campus safety improvements.
- \$1 million digital marketing spend.

Long-term financial stability also includes strategic decision making relative to APU's regional campuses, sale of additional real estate, relationship with Los Angeles Pacific University, benchmarking opportunities across all functions and divisions of the university, and the launch of a comprehensive fundraising campaign. Further assessment and data collection is under way to integrate and align all of these initiatives into APU's comprehensive strategy for financial sustainability. Since the comprehensive and integrated strategy for financial sustainability is now developed, and implementation has begun, APU has great optimism that it has designed a model that will lead to the university's long-term health.

Reflections

The work outlined above demonstrates APU's commitment to a thriving institution marked by high academic student outcomes and a clear path to financial sustainability. Accomplishments are noted by key stakeholders such as Moody's that said in their August 24, 2023, Investor Service Issuer Comment that APU's "willingness and capacity to adjust expenses will prevent material operating performance weakness" and "sizeable holdings of marketable real estate portfolio in Los Angeles County help support credit quality and a recent sale of properties has significantly bolstered liquidity which provides some runway as downsizing of operations to a smaller, more adaptable institution."

In the July Letter, it was noted that the university leadership had not been effective in bringing about strategic change. In response, and under new CFO, APU began by examining current processes and realized that they were fragmented and isolated. The work of WGs 1, 2, and 8 resulted in the creation of the UPT, which successfully united the APU community around the idea of change through transparency. APU acknowledges that this is an ongoing process that requires continuous evaluation and is committed to implementing necessary change and improvements.

The TUG Fall 2023 retention rates show that there has been effective collaboration at the university. This collaboration was driven by the implementation of the SEP, along with strategic spending on marketing and collaboration initiatives across the university.

APU plans to achieve financial sustainability and meet the needs of current and future students by reducing faculty and staff based on data-driven program viability work, and driving new revenue. The viability project will be completed by January 2024, with benchmarking across the university led by CFO Dahlke targeted for completion by mid-February 2024. The benchmarking will inform decision-making for each department to ensure APU is right-sized across the university.

One of the most important next steps is the finalization of the Multiyear Financial Roadmap, which is scheduled to be presented to the Board in February 2024. The roadmap will take into consideration all the activities mentioned herein, including the SEP, Optimal Academic Portfolio, and need to steward the property proceeds while right-sizing the institution. The aim is to position APU to serve current and future student populations through sound financial stewardship and new revenue generation, thus leading to longterm financial sustainability.

Shared Governance

Delegated WGs: WG3, WG4, WG7

Per the WSCUC July Letter, the following items were cited relative to shared governance:

... a robust shared governance system that includes faculty, staff, administration, and board of trustees is needed to accomplish the following:

(1) Clarification of the roles and responsibilities of the board of trustees, administration, staff, and faculty. (CFRs 1.3, 1.5, 1.7, 3.6, 3.7, and 3.9)

(2) process for faculty input into decisions regarding educational practices and programs. (CFRs 1.3, 1.5, 3.1, and 3.10)

Role Clarification (CFRs 1.3, 1.5, 1.7, 3.6, 3.7, and 3.9)

In the past, APU has not articulated a clear commitment to shared governance at all levels of the APU community. The Board did not have a clear understanding of shared governance and relied on the President to actuate it among faculty, administration, and staff. Moreover, during the past five years, as the Board was dismayed by the rapid deterioration of APU's financial situation, Trustees pushed the Administration to provide projections and more transparent and detailed financial reports in a timely manner so informed and strategic financial decisions could be made to lead the university to financial sustainability. Recognizing APU's historic deficiencies in using data to inform strategic decision making, and with growing challenges between the Board and former Administrations, the Board lost confidence in APU's ability to work collaboratively and urgently to address the financial crisis. Increasingly, the Board became engaged in financial matters at a more granular level to help make strategic cuts that matched expenses with declining revenue. These activities over this period of time can be fairly characterized as "overreach" in the normal course of business. In the context of rapidly declining revenue and growing concerns with the former Administration, the Board believed its increased level of engagement was necessary to fulfill its responsibility as the university's financial steward.

In response to the July Letter, the President and the Board Chair have taken significant steps to address shared governance. In August 2022, President Morris, then-Board Chair Tom Miller, and Governance Chair Lucie Moore began working with consultant David Gyertson to plan education sessions for the Board regarding effective board governance. A former president of three universities, Gyertson now serves as an independent consultant for faith-based higher education, with particular expertise in board governance training. In Fall 2022, Gyertson surveyed the Board to assess their understanding of board governance and the role they play as missional and financial fiduciaries of the institution. His survey findings framed the half-day Board Education Session at the Board's retreat in January 2023, providing new clarity and definition to the roles and responsibilities of Board leadership. Cabinet members participated in the governance education session with the Board.

Recognizing that good Board governance is not synonymous with healthy shared governance, the President also retained the services of Steven Bahls, consultant with the Association of Governing Boards (AGB) and author of *Shared Governance in Times of Change: A Practical Guide for Universities and Colleges* (AGB Press, 2014). Bahls worked extensively across several meetings with WG4 (Shared Governance). In May 2023, APU administered a campus survey (based on a model from Bahls' book) to trustees, administrators, staff, and faculty to assess their

understanding of shared governance. Bahl also interviewed current Board Chair Moore to learn about the Board's perspective on shared governance. That data informed the content of future shared governance workshops.

On the morning of August 23, 2023, the annual APU Faculty/Staff Kickoff event convened on campus, including local Board members, administrators, faculty, and staff from Azusa and regional campuses. With formal addresses from President Morris and Provost Henck, other members of the President's Cabinet gave updates on summer progress on university initiatives and cast vision for the priorities for the new academic year.

The Kickoff event included a significant moment for the APU community when newly elected Board Chair Lucie Moore was interviewed by President Morris and introduced to the community. The President addressed concerns regarding perceptions of past Board overreach that eroded trust and negatively impacted morale. President Morris engaged Chair Moore in a frank discussion where she acknowledged the challenges of that season and those areas where the Board should have done things differently, including hiring an Interim President in 2018. She also explained that while the Board's involvement in financial matters was more extensive than usual oversight, Trustees believed that level of engagement was necessary considering the urgency of the financial crisis, transitions in executive leadership, and the need for the Board to fulfill its fiduciary responsibility to APU. Emphasizing that the Board's intent has always been to act in the best interest of the university, Chair Moore apologized on behalf of the Board for any Board missteps as it navigated the challenging waters of the past five years. Feedback in the APU community was that the request for forgiveness was a pivotal moment that prepared the stage for healthy dialogue and partnership moving forward.

After the Faculty/Staff Kickoff, Board, Administration, faculty, staff, and student representatives participated in a three-hour joint education session on shared governance led by Bahls. He began by sharing the [survey results](#), highlighting the stark differences in APU's understanding of shared governance among stakeholders. It was the first time in memory that all stakeholders assembled to talk openly about shared governance. The education session included a presentation from Bahls, where he discussed:

- Ways to become a highly effective board member
- Outcomes of effective shared governance
- Differing views of shared governance
- Principles of faculty shared governance
- Barriers to shared governance
- Best practices in shared governance
- The role of students, staff, and midlevel administrators in shared governance
- The need to advance diverse viewpoints in shared governance
- Myths about board members, administrators, and faculty

After his presentation, Bahls facilitated table conversations among faculty, staff, trustees, and administrators. The energy in the room was palpable, as was the collective institutional resolve to strengthen APU's commitment to shared governance. Culminating reflections across all participants underscored that progress was made to reduce barriers and remain open for dialogue, transparency, and future collaboration.

Recognizing APU's past shortcomings in shared governance, and reflecting on the faith-based mission of APU, President Morris concluded the session, encouraging the assembled leaders to make a joint commitment to shared governance that is marked by:

- Honest reflection on what has and has not worked in the past, with a recognition that it is a “new day” with new leadership and a renewed commitment to shared governance.
- Leaders who address concerns promptly and engage in safe, open, and honest dialogue.
- A commitment to build an effective shared governance system together.
- Recognition of the worth and value of every sector at APU.
- Unity of spirit around the fulfillment of our mission, recognizing the strength that comes from “oneness” among faculty, staff, board, and administration.

In October 2023, President Morris and Chair Moore organized a second Board Education Session for the regularly scheduled Board meeting. The Board invited Bahls and Gyertson to colead the conversation on shared governance among the Board, Cabinet, Academic Cabinet, and leadership from the Faculty Senate, Staff Council, and Student Government Association. In advance of the session, the following resources were sent to all participants to aid in their preparation:

- [Slides](#) from the August 23, 2023, Bahls Shared Governance Session
- [Letter](#) from Bahls to President Morris dated August 31, 2023, summarizing findings from the May 2023 shared governance survey and key highlights from the August 23, 2023, table conversations
- 2017 [AGB Statement on Shared Governance](#)
- [Article](#) titled “Transforming Shared Governance into an Engine for Agility” (*Trusteeship*, May/June 2023)
- [Model Statement](#) on Shared Governance, provided by AGB

This second session on shared governance with the Board and key campus leaders was also robust and encouraging to participants. A key outcome from the October education session was consensus around a model of shared governance and agreement that the Provost will work with key academic leaders to produce a draft definition. This will be shared with the Faculty Senate and Staff Council for input in January 2024, with a formal recommendation coming to the full Board of Trustees at their February 2024 meeting. Board approval will then pave the way for effective implementation. Following this education session in October 2023, Bahls wrote to President Morris, commending APU for its strong commitment to shared governance.

In addition to education sessions, the President has actuated other initiatives to improve shared governance, including:

- Monthly meetings with the past/present/future Faculty Senate Moderators (joined by the Provost) and the past/present/future Staff Council Chairs (joined by the CFO and Chief of Staff) since August 2022. Developed as part of the commitment to transparency and collaboration, these meetings have strengthened connection and aided progress on key initiatives.
- Biweekly, one-on-one meetings between Provost Henck and the Faculty Moderator, Chris Noble, PhD. As project timelines have required more active engagement, they now meet at least weekly.
- Monthly meeting between the President and Student Government Association (SGA) Executive Team to better understand the needs of the student body.

- Beginning October 2023, the SGA President, Faculty Senate Moderator, and Staff Council Chair participated in select Board Committee meetings, as well as the majority of the Board meeting itself. This is an expansion from previous years with limited participation. Each representative leader shared the needs/issues of their constituency that warrant Board input and engagement; the conversations were fruitful.
- Recently revised [Board Policy Manual](#) posted on APU's website, per the Faculty Senate's request.

Process for Faculty Input (CFRs 1.3, 1.5, 3.1, and 3.10)

The Administration at Azusa Pacific University agrees with the Commission's recommendation that APU implement a robust system of shared governance, particularly as it relates to providing faculty with opportunity for input into decisions regarding educational practices and programs. Interviewing candidates in the past year, President Morris wanted a Provost who valued shared governance and understood how to work with the various stakeholders at APU for implementation. Since being appointed, Provost Henck has been effectively leading the effort to work transparently and collaboratively with stakeholders in the APU community.

Among other actions to honor shared governance, in her inaugural address at the August 2023 Kickoff, Dr. Henck outlined her plan to work collaboratively with the Faculty Senate and all faculty going forward. Specifically, she shared two critical projects that required urgent attention in Fall 2023—School/College Alignment and Academic Program Fiscal Viability. The Faculty Senate is integrally involved in these projects with the key academic and administrative leaders, and there is a robust communications strategy to engage the broader campus community. Additionally, Dr. Henck began biweekly meetings with the Faculty Moderator, Dr. Noble. This was an early commitment to mutually learn about issues from the varied constituencies.

School/College Realignment

In Spring 2021, a university-wide group presented its report in response to a request to consider realignment of programs, schools, and colleges. The proposal was never approved, as the Board wanted to wait until a new President was selected before initiating such a substantial change. The unintended consequence was that, as Deans left their roles (for other roles inside or outside APU), they were replaced with Interim Deans, pending decisions on realignment. After President Morris took office, three national searches were conducted in the 2022-23 academic year for Deans of the Schools of Behavioral and Applied Sciences, Business and Management, and Theology. None of these searches resulted in the selection of permanent Deans.

As Provost Henck began her role on July 1, 2023, an early priority was to resolve the matter of seven of the schools and colleges being led by Interim Deans. She revisited the earlier consideration of school and college realignment in collaboration with campus partners. To honor shared governance, she solicited input from the Faculty Senate Moderator, and they agreed to present two proposals to the community and the Board, one provided by the Senate Steering Committee and one provided by the Provost, in collaboration with the President. The proposed models were shared with the Board at its October meeting.

On November 3, 2023, at the Fall All-Faculty meeting, Provost Henck and Faculty Moderator Noble shared the two models, which were alike with two exceptions—the locations of the School of Theology/Azusa Pacific Seminary and the Honors College. Honoring shared governance, the following Monday, November 6, Henck held two all-faculty open sessions of 90 minutes each to allow questions and additional input. More than 50 faculty participated in these sessions. Senate Steering Committee representatives attended each, in order to hear and address questions about their model. In addition, the two models were shared with the Student Government Association (SGA) Executive Committee.

At the more-than-four-hour Faculty Senate meeting held on November 10, 2023, the program viability information was presented and each school/college had an opportunity for a faculty representative to speak to the realignment proposals. At the December 1, 2023, Senate meeting, five motions were approved, including three relating to realignment of schools and colleges. Two were related to the School of Theology/Azusa Pacific Seminary and Honors College—one noting the unique status of each within the university and a second noting that the two models differed on these units' placement. The third motion relating to realignment was the request that undergraduate psychology (and a related master's degree program) join the proposed merger of the College of Liberal Arts and Sciences and College of the Arts. Provost Henck met with the faculty of the newly proposed merger.

The President and Provost have been delegated by the Board of Trustees to make the final decisions. After full consideration of faculty input, the President and Provost will finalize decisions regarding six of the eight current schools/colleges in early January 2024, responding to the Senate resolutions. Meanwhile, the President and Provost sent a joint communication to faculty, staff, and students on December 8, following an SGA-sponsored student session. In it, they reported they would be working with additional external consultation in Spring 2024 regarding the locations of the School of Theology/Azusa Pacific Seminary and Honors College. In early January 2024, the Provost will work with a search firm to launch the needed Dean searches once realignment is finalized.

In addition to working toward a much-needed solution to fill leadership vacancies, this process has also charted new territory in terms of mutual consultation between the Faculty Senate and its leaders with the Office of the Provost. This process has been aided by the discussions in two Shared Governance Workshops (August 2023 and October 2023) about roles and responsibilities, as well as established patterns of weekly meetings between the Faculty Senate Moderator and Provost, as well as monthly meetings between the President, Provost, and past and current Faculty Senate Moderator.

Academic Program Viability

APU has been working on refining its program viability analysis for several years without resolution. To address declining revenue and stabilize enrollment, President Morris understood at the outset that completing a program viability study was a critical priority for the Board. Accordingly, Interim Provost Stephen Johnson began work on the viability analysis in Dr. Morris' first year. As Provost Henck began her new role in July, she accelerated that work, collaborating with CFO Dahlke, AVP Martin, and VPEM White to finalize a sound schema for assessing academic viability (related to program size and for sustainable classes and academic quality) and fiscal viability (related to financially sustainable operations). The timetable was aggressive, so three external consultants were engaged to aid the process:

- RNL worked with Provost Henck and VPEM White on program demand, looking at inquiry, application, admission, and enrollment data since 2019. In addition, an external program interest survey was conducted on behalf of APU, targeted at prospective undergraduate and graduate populations.
- CFO Colleague, which had done extensive work for APU in 2021, was reengaged, and CFO Dahlke and his team worked with them to develop data and analysis regarding the net revenue per program as a measure of program fiscal viability.
- Dr. Angela Becerra, a consultant from Cerius Executives, has led academic program visioning sessions with APU faculty, benchmarked APU program data with regional and national norms, and served as a thought partner on data analysis and strategy. She also cross-tabulated data insights from RNL and CFO Colleague to create a more robust picture of the financial health of APU's existing programs.

Reflections

The steps outlined above reflect the deep commitment of the President, Board, and Administration to build and implement a best-in-class shared governance system at Azusa Pacific University. Coming out of a season where there was heavy Board engagement, and recognizing the need to rebuild trust among APU's Administration, faculty, and staff, the work outlined above has provided education and encouraged healing, healthy dialogue, and a renewed commitment to cross-functional collaboration.

Utilizing outside consultants was invaluable, as was surveying key internal stakeholders to establish a baseline understanding of shared governance. The gatherings outlined above that included the Board, President's Cabinet, Academic Cabinet, members of Faculty Senate and Staff Council, and other key campus leaders became the first meetings of their kind where those engaged in shared governance were in the same room, at the same time, to talk about roles and responsibilities. This was a giant step forward.

While robust conversations have taken place regarding shared governance, and the roles and responsibilities of the Board, Administration, faculty, and staff have been further defined, changing the ways in which APU practices shared governance will take time. Thankfully, among all stakeholder groups involved, there is strong resolve to work together toward healthy shared governance.

As APU looks forward, the President and Provost acknowledge the inherent challenge of building a healthy and effective model of shared governance amidst a time of significant change in higher education, and more directly, the significant changes and accelerated timetable required to build a financially healthy and sustainable APU. The priorities outlined in this report that relate to academic program viability and the reconfiguration of schools and colleges require constructive dialogue with the Faculty Senate and others in the Academy. At the same time, these conversations are accelerated by the timing and urgency of faculty contract renewals for the 2024-25 academic year, and the cadence of the academic calendar. The President and Provost are working with their various teams to build an effective shared governance system, while simultaneously needing to make strategic decisions that carry urgency. By maintaining open lines of communication, the APU community will continue to learn and grow together.

Board Effectiveness

Delegated WG: WG5, WG7

Per the WSCUC July Letter, the following items were noted related to board effectiveness:

... Appropriate boundaries are necessary for the board of trustees.

... APU needs to seek board development opportunities to strengthen board effectiveness ...

... while ensuring regular and consistent communication with the campus community.

(CFRs 1.3, 1.5, 1.7, 3.6, and 3.9)

Board Education and Development (CFRs 3.6, 3.9)

Azusa Pacific University's new administrative team agrees with the Commission's recommendation that Board development opportunities be made available to aid in board effectiveness. As noted above, President Morris and the Board Chair implemented Board Education Sessions at its regular meetings to further educate Trustees on issues pertinent to higher education in general, and APU specifically.

In addition to the educational session on governance described previously, the following in-person educational opportunities were provided to the Board:

- *Understanding Mission Faithfulness*, President Morris, September 2022
- *Financial Modeling*, President Morris; Mr. Dale Kemp, Former APU Interim CFO; Board Financial Affairs Committee, September 2022
- *Rebranding the University*, Ben Arendt, President and VP Marketing and Enrollment Strategy at [Carnegie](#), September 2022
- *APU Governance and Culture*, President Morris; Former Interim Provost Johnson; Former Governance Committee Chair Moore, September 2022
- [Board Governance](#), Board Governance Consultant Gyertson, January 2023
- [The Future of Higher Education](#), [Jeff Selingo](#), Higher Education Strategist, January 18, 2023
- [Digital Platforms for Digital Learners](#), Daren Campbell, CEO and Founder of [Slingshot](#) and [Campus](#), January 2023
- *APU Rebrand*, Carnegie President and VP Marketing and Enrollment Strategy Arendt, January 2023
- *Digital Infrastructure Assessment*, CFO Dahlke, January 2023
- *Strategy and Vision at APU*, President Morris, May 2023
- *Financial Modeling at APU*, CFO Dahlke, May 2023
- *WSCUC and APU's Accreditation*, Provost Henck and Cabinet members, October 2023
- [Board Governance and Shared Governance](#), Board Governance Consultant Gyertson and Shared Governance Consultant Bahls, October 19, 2023
- *Strategy and Vision*, President Morris, Provost Henck, and CFO Dahlke, October 2023

Chair Moore and President Morris have agreed to keep Dr. Gyertson on retainer for the balance of fiscal year 2024, with an option to extend if desired. Moving forward, President Morris and Provost Henck are exploring having Dr. Gyertson engage directly with the Academic Cabinet and Faculty Senate for further training on shared governance.

As of this writing, the following Board Education Sessions are envisioned for 2024-25:

- *Board Governance in Action*, WSCUC preparation, February 2024
- *Bridging the Campus Climate Survey and the Diversity Strategic Plan*, VPSB/CDO Hall, February 2024
- *The APU of 2030: Progress on Strategy and Vision*, President Morris; Rob Tiede, Board Strategic Oversight Committee Chair; and VP/Chief Strategy Officer Shynn, February 2024
- *Board Governance in Action*, Board Governance Consultant Gyertson, June 2024
- *The General Education Curriculum and the Future of the Liberal Arts*, Provost Henck and Rishi Sriram, PhD, APU Board Academic Affairs Committee Chair, June 2024
- *The APU of 2030*, President Morris, Provost Henck, Trustee Tiede, and VP/Chief Strategy Officer Shynn, June 2024
- *Pre-Campaign Planning*, Marts & Lundy Campaign Consultants, VP for University Advancement Barton, October 2024
- *Campus Master Plan*, Trustee Tiede; Past Board Chair and Master Plan Consultant Miller; Architect/Developer, February 2025
- *Shared Governance in Action*, Board Governance Consultant Gyertson, June 2025

The following digital resources were sent to the Board to augment the education sessions between September 2022 and October 2023:

- ["Best Governance Practices Overview Memo"](#) by David Gyertson, PhD
- ["Governing Board Effectiveness for Faith-based Organizations"](#) by David Gyertson, PhD, and Robert Andringa, PhD
- ["Reimagining the University"](#) by Jeffrey Selingo
- ["The Shrinking of Higher Ed"](#) by Karin Fischer
- ["Digital Natives, Digital Immigrants"](#) by Marc Prensky

In July 2023, President Morris and Board Chair Moore attended the Council for Christian Colleges & Universities' (CCCCU) Board Governance Institute, which is designed for university Board chairs and their Presidents, joined by fellow Chairs and Presidents from 10 CCCC institutions. With Chair Moore beginning her tenure as APU's Board Chair effective May 2023, the July 2023 CCCC Board Governance Institute was timely and provided her and President Morris with additional clarity on roles and responsibilities.

Led by seasoned Presidents and Chairs, topics covered at the institute included:

- The President and Board Chair relationship
- Understanding your institution's mission
- Legal and legislative risks
- The new environment of shared governance and fiduciary responsibility
- Board recruitment and accountability

In May 2023, the APU Board elected a new Chair for the Governance Committee, Jesus Arriaga. He participated in Board training sessions with Gyertson and played an important role in preparing the revised Board Policy Manual for approval. Arriaga also joined President Morris on November 6, 2023, for a meeting with the Biola University Governance Committee Chair for a conversation on best practices in board governance. Arriaga is a technology executive, consultant, and advisor focused on providing strategic technology and architecture services for business solutions in start-up, turnaround, and established environments. Arriaga will bring additional leadership talent to APU's Governance Committee.

At the February 2024 Board of Trustees meeting, the Governance Committee will recommend a more robust process for Trustee evaluation. The Board is also refining its Trustee selection process and enhancing the Trustee orientation program. The resources described above, including the substantive materials from Gyertson and Bahls, will become part of the onboarding process for all new APU Trustees.

Post-Board Communication (CFRs 1.3, 1.5, 1.7, 3.6, and 3.9)

Community Conversations

President Morris' inaugural year of 2022-23 marked the debut of Community Conversations, in-person and online gatherings of the community following Board meetings (and per special invite) to share updates and progress on critical university initiatives. The Cabinet hosted Community Conversations in October 2022 and January, February, and May 2023. The first of this academic year occurred in November 2023 following the October Board meeting, and dates are confirmed and calendar invites shared for the remainder of the academic year, following regular Board meetings. Recordings of the Community Conversations are posted on Total Access, the employee portal, within 24-48 hours. When feasible, questions are submitted in advance by community members and responses are addressed either via presentations or in a question-and-answer session. Over the course of the last year, attendance doubled. Overall, these have been well received by the APU community. Many say they appreciate the timeliness of these meetings, the degree of transparency, and the willingness of the President and Cabinet to talk openly about the issues and opportunities facing APU.

Reflections

Since January 2023, the Board has renewed its commitment to board education and development. As evidenced by myriad Board Education Sessions scheduled for 2023-25, along with a host of valuable digital resources sent to Trustees between Board meetings, the Board is increasingly informed on strategic matters facing higher education and is experiencing more robust and thoughtful engagement. With confidence in the President and his recently appointed Cabinet, the Board has created space in Board meetings to engage more intentionally on APU's strategy and vision for the future rather than operating in crisis management mode. Furthermore, the [revised Board Policy Manual, revised Committee Charters, and new Executive Parameters](#) (embedded in Board Policy Manual, section 6) have provided role clarity in APU's guiding documents, which, in keeping with a commitment to transparency and increased communication, are accessible by the campus community. This work is owned primarily by the Board Chair, Board Governance Committee, and the President. These have been welcome changes.

Diversity, Equity, and Inclusion, and Campus Climate

Delegated WGs: WG6, WG7

Per the WSCUC July Letter, the following items were cited relative to diversity, equity, and inclusion, and campus climate:

... A regular cycle of assessment to evaluate campus climate for all students, faculty, and staff is necessary.

... APU needs to develop a university-wide diversity, equity, and inclusion strategic plan to ensure equitable support and outcomes for the diverse population of students the university serves.

(CFRs 1.4, 2.10, 4.3)

The April 2022 WSCUC visiting team cited the lack of a campus climate assessment instrument and data collection cycle, and the absence of a university-wide diversity, equity, and inclusion strategic plan. To cultivate a healthier university campus climate, this Administration is resolved and committed to understanding the perceptions and experiences of faculty, staff, and students. By implementing strategic and sustainable changes to support the holistic success of university stakeholders, APU's diverse community will thrive and fully express institutional values.

Progress has been made on many fronts, including formation of a diverse, cross-disciplinary DEI Work Group (WG6) during the Fall 2022 semester; the administration of a campus climate survey (Spring 2023); distribution of survey findings to APU's internal stakeholders (Spring-Fall 2023); development of a University Diversity, Equity, and Inclusion Strategic Plan (DEI Strategic Plan) (Summer-Fall 2023); and implementing Phase 1 action items within the DEI Strategic Plan (Fall 2023).

Selection and Administration of Campus Climate Survey (CFR 1.4)

WG6 selected the HEDS campus climate survey, a nationally normed, psychometrically reliable, and validated instrument that provides institutional and comparative data, benchmarked against colleges and universities of comparable size and status.

The survey was administered in January-February 2023 to all students, faculty, staff, and administrators with a total of 918 university community members completing the survey. HEDS issued a high-level [preliminary report](#) in May 2023. There is institutional commitment to repeat this survey every three years.

Key Survey Findings and Distribution of Results (CFRs 2.10, 4.3)

The Campus Climate Survey captured varied perspectives and experiences of diverse populations. Some of the significant survey findings include:

- Overall, 64% of all respondents are generally or very satisfied with APU's campus climate; this is approximately 10 percentage points less than those of comparable four-year private institutions.
- With high consensus, 89% of survey respondents agree or strongly agree that diversity improves campus interactions at APU.

- Normed with comparable institutions, 67% of respondents are somewhat or very comfortable with sharing views of diversity and equity, underscoring the need to offer relevant professional or student leadership development opportunities.
- Overall, 18% of survey participants reported experiencing some form of discrimination or harassment in the past year; respondents reported faculty (49%), staff (36%), and administration (35%) as the leading sources of discrimination and harassment.
- Reflecting on campus climate mean scores, the undergraduate student mean score (3.67) aligns with normed scores, and the graduate student mean score (3.60) is slightly lower than normed scores.
- Disaggregated campus climate scores revealed notable results that are moderately positive for international students, slightly positive for Black/African American students, slightly positive for multiracial students, slightly negative for Hispanic/Latino students and employees, moderately negative for Black/African American employees, severely negative for Asian employees, and slightly negative for LGBTQ students.

The survey data identified themes, which were incorporated in the development of the university's DEI Strategic Plan. Data was reported out to the campus community in Fall 2023 as follows:

- President Morris and VPSB/CDO Hall presented a summative update at the May 10, 2023, university-wide Community Conversation.
- President Morris, VPSB/CDO Hall, and WG6 members hosted two DEI Forums on September 13 and 18, 2023. They shared the Campus Climate results with more than 300 faculty and staff, presenting survey findings and a draft of the DEI Strategic Plan. One forum was recorded and uploaded to Total Access, APU's employee portal. A QR code allowed faculty and staff to share thoughts, observations, and ideas with WG6 beyond the allocated time for each forum.
- HEDS [Campus Climate Survey comprehensive results and raw data](#) were provided to WG6 on June 30, 2023.

Development of the University Diversity, Equity, and Inclusion Strategic Plan (CFRs 1.4, 1.6, 2.2a, 2.2b, 2.10, 2.13, 4.3)

The [University Diversity, Equity, and Inclusion Strategic Plan](#) (DEI Strategic Plan) was developed by WG6. The five priorities include:

- Institutional commitment to DEI as a Christ-centered value – APU strives to model a commitment to Christ-centered diversity in terms of representation, decision making, programming, and policy that effectively supports its diverse community.
- Intentional recruitment and retention of a diverse community – APU is committed to becoming a university destination of choice for diverse faculty, staff, and students, supporting effective recruitment and retention.
- Cultivation of a healthy campus climate – APU is dedicated to shaping a university ethos that promotes cultural safety, engagement, and responsiveness for all employees and students, as measured by improved campus climate scores.
- Establishment of equitable pathways to success – APU is committed to applying high-impact curricular and cocurricular practices that minimize disparities and maximize holistic success as measured by increased retention and graduation rates across demographic lines.

- Extended community engagement – APU is committed to amplifying meaningful partnerships with diverse community, civic, and faith leaders in an effort to collaborate, serve, and fulfill the university mission while elevating spiritual and social responsibility.

Aligned with the five priorities outlined above, WG6 developed a DEI Strategic Plan with three phases: Phase 1 (2023-24), Phase 2 (2024-25), and Phase 3 (2025-26). As WG6 continued to develop and refine the DEI Strategic Plan, the broader APU community was engaged as noted above and through the following methods:

- The Campus Climate Survey results, along with a draft of the DEI Strategic Plan, were socialized among the Faculty Senate, Staff Council, Student Government Association, and Board of Trustees' Student Affairs Committee. Helpful insights were provided.
- VPSB/CDO Hall will facilitate a February 2024 Board Education Session focused on the DEI Strategic Plan, with ample time for full Board engagement. A high-level summative report, providing an overview of the Campus Climate Survey and the DEI Strategic Plan development process, was shared during a Board Education Session on October 19, 2023.
- An article highlighting the Campus Climate Survey as well as the DEI Strategic Plan was featured in the Fall/Winter 2023 edition of *APU Life*, a magazine publication with a print circulation of 82,000 and posted to the university's website.

APU is now engaged in Phase 1 of the DEI Strategic Plan. The following items are in process or completed:

Priority 1: *Institutional commitment to DEI as a Christ-centered value*

- President's Cabinet has diverse gender and ethnic representation reflected among the nine-member senior leadership team, with two women and two men of color—Provost Henck and Vice Presidents Hall, Shynn, and Taylor.
- The President's Cabinet has committed to administer the Campus Climate Survey every three years to assess progress and inform strategic efforts to bolster a positive campus climate experience for university stakeholders.
- On August 21, 2023, a revisioned student leadership training, ADVANCE, equipped more than 350 student leaders with perspectives, tools, and resources to effectively engage a diverse student body. Dr. Hall delivered the plenary session, "Mission Possible: Cultivating Belonging in a Diverse Community."
- In January 2024, a diverse, cross-functional Campus Climate Collaboration Committee, cochaired by Dr. Hall and Aaron Hinojosa, PhD (Associate Dean, DEI), will be activated to review all campus climate data, clarify baseline metrics and key performance indicators, and provide oversight for strategic focus groups. Follow-up work will focus on select populations with negative campus climate scores.
- During Phase 2 (2024-25), a rigorous review of institutional policies will be conducted to consider the positive or negative impact they may have on select populations (e.g., community members with disabilities, low-income students, first-generation students, etc.).

Priority 2: *Intentional recruitment and retention of a diverse community*

- On September 25, 2023, a professional development series was launched by APU's HSI-Title V team to educate the community on what it means to be a Hispanic-Serving Institution (HSI). They also shared "servingness" practices that translate to retaining Hispanic and other ethnically diverse students. The inaugural session, "Advancing Student Achievement and Success: What Does It Mean to Be an HSI?," was facilitated by Dr. Hinojosa.
- On October 18, 2023, APU's HSI-Title V team sponsored a faculty development session, "Diversity in the Classroom: Empowering Students to Speak (and Faculty to Listen)," facilitated by APU School of Theology professor Alice Yafeh-Deigh, PhD, and Professor and Chair of the Department of Sociology, TESOL, and Modern Languages Nori Henk, PhD, to promote classroom practices that foster curricular relevance and engagement for APU's diverse student body.
- On October 26, 2023, a professional development workshop for faculty and staff was facilitated by APU School of Education professor Paul Flores, PhD, on the topic, "Cross-Cultural Communication: Building Strong Mentoring Relationships," providing practical strategies on how to effectively engage, build rapport with, and mentor students from culturally diverse backgrounds.
- Preliminary data includes a recent increase in retention rates of first-time, full-time Hispanic/Latino students from 76.6% (2021-22) to 80.6% (2023-24), providing an encouraging direction that correlates with the composite DEI work being done collaboratively by university partners.
- On October 1, 2023, APU was officially awarded the \$1.36 million TRIO McNair grant, enhancing assistance and resourcing for traditionally underrepresented students' transition to graduate studies. This is the third TRIO grant project at APU, joining Upward Bound (UB) and Student Support Services (SSS).
- During Phase 2, cross-divisional collaboration between DEI, Enrollment Management, and Human Resources will continue to further review and implement strategies and processes to enhance the recruitment and retention practices for employees and students of diverse backgrounds.
- After Year 3/Phase 3 (2025-26), the university will assess the collective impact of strategic initiatives on campus climate outcomes and determine which action items to amplify due to effectiveness and which strategies should be reviewed or sunsetted due to limited to no correlational impact.

Priority 3: *Cultivate a healthy campus climate*

- On September 11, October 9, and November 13, 2023, APU's Student Center for Reconciliation and Diversity engaged administrators, student leaders from the Mosaic Caucus (Black Student Association, Latin American Student Association, Pacific Islanders Organization, etc.), and SGA leadership in three sessions to gain a more qualitative perspective on how students of color are navigating APU's current climate. In response, Student Ethnic Organizations received fiscal support and greater visibility, translating to more cultural engagement opportunities for all students, but especially students of color. For example, on October 13, 2023, Student Belonging divisional leaders partnered with the Latin American Student Association (LASA) to host the

inaugural Latino Heritage Night during Hispanic Heritage Month and APU's inaugural "Nuestra Cultura: Reflections on Día de Los Muertos" event, which debuted in November 2023 to acknowledge the cultural holiday and tradition.

- On September 20, 2023, MOSAIC—APU's infrastructure of ethnic affinity organizations—relaunched the Black Faculty, Staff, Administrators Association (BFSAA), Latin Faculty, Staff, Administrators Association (LFSAA), and Asian Mosaic Association (AMA) to cultivate a deeper sense of belonging for faculty, staff, and administrators of color. This intervention strategy seeks to improve the experience of employees of color. A MOSAIC brunch was hosted by APU's DEI division for all faculty and staff, with a special invitation to faculty and staff of color to participate, and attendance by President Adam Morris and VPSB/CDO Hall.
- To address Campus Climate Survey results revealing discrimination and harassment, immediate and strategic efforts were made in August-September 2023 to increase the awareness of APU's [Bias Incident Reporting \(BIR\) Process](#). This formal process promotes cultural safety and formally addresses acts of bias, including racist slurs, derogatory comments, and microaggressive behavior, among other issues. Strategic communication has been optimized through newsletters, verbal announcements, APU NOW (student app), and social media, emphasizing the resource and process. Since the launch of the awareness campaign, more than 10 BIR submissions have been received, and all resolved through mediated conversations, along with professional development and/or collaborative support from university leadership.
- During Phase 2 (2024-25), cross-divisional collaboration between DEI and Human Resources will lead to the design and implementation of a professional development structure and resources to enhance the cultural capacity of employees to minimize acts of bias and bolster agency and dexterity in engaging a diverse community.

Priority 4: *Establish equitable pathways to success for all students*

- Throughout the Fall 2023 semester, faculty, staff, and students have been educated about APU CARES, the institution's early-alert system, and encouraged to identify students/peers who may be experiencing academic, relational, emotional, physical, and/or spiritual distress and in need of holistic support.
- On August 23, 2023, APU's First-Gen Forum was hosted during Welcome Weekend for new students and families, celebrating this college-going milestone and strategically highlighting relevant resources focused on student success.
- APU hosted a First-Generation College Celebration Week November 6-10, 2023. APU's TRIO leadership team sponsored a networking gathering, First-Gen Connect; professional development workshop, Utilizing an Asset-Based Philosophy in Serving First-Generation College Students; and mechanisms for first-gen students to share their unique story, First-Gen Voices.
- During Phase 2 (2024-25), a strategic, holistic approach to fully optimize the university's student success platform will be implemented to increase student retention and success. Further, based on data-assessed interests and preferences, distinct student experiences will be implemented.

Priority 5: *Extended community engagement*

- APU continues its partnership with the Azusa Unified School District through the federally funded TRIO Upward Bound program, which facilitates college preparedness for 60 prospective first-generation college students from Azusa High School. Program details and resources are also translated into Spanish to foster engagement for Spanish-speaking families.
- On September 4-8, 2023, APU hosted Love Local Week. The week challenged students to invest in the local community during their time in college. Local businesses, churches, and organizations were invited to campus to allow faculty, staff, and students to engage and discover opportunities to partner with and/or serve at the represented entities.
- APU continues to provide numerous academic service-learning opportunities that promote student learning through active participation in meaningful community service experiences connected to course content such as College Headed and Mighty Proud (C.H.A.M.P.). Each semester since 1991, APU has partnered with elementary schools within the Azusa Unified School District to mentor fourth-grade students and introduce them to career exploration and the collegiate experience.
- In addition to completing academic requirements, APU's full-time traditional undergraduate students must satisfy [service requirements](#)—locally and globally. Each year, hundreds of students provide meaningful service (e.g., tutoring, food distribution, community development, outreach, etc.) through community partnerships. Many students also participate in [global engagement](#) experiences nationally and internationally during fall, spring, and/or summer breaks. More than 30 trips are coordinated, varying in length, location, intensity, and the type of service in which students engage.
- APU's Center for Vocational Ministry provides a grant-funded resource, Youth Leadership Initiative, to deepen the faith and call of diverse students, cultivating emerging Christian leaders within the context of their home communities and peer interest groups. As an expression of APU's Cornerstones of Christ, Scholarship, Community, and Service, the Center for Vocational Ministry hosts events that invest in local pastors and lay leaders to support their holistic well-being and ministerial service.
- During Phase 2 (2024-25), APU will develop a strategy that enables meaningful partnerships with diverse community, civic, and faith leaders in an effort to collaborate, serve, and fulfill the university mission and elevate spiritual and social responsibility.

Reflections

Overall, the Administration is encouraged by, but not content with, the campus climate results. On the heels of significant change over recent years that included the rigors of the pandemic, staff reductions, budget cuts, leadership changes, and other organizational challenges, negative scores were expected, but it was encouraging to see that the cumulative student campus climate experience has been good and aligned with normed campus climate mean scores compared to comparable colleges and universities. It has also been inspiring to witness heightened engagement by the university community in terms of participation in the Campus Climate Survey, communication forums to review results, and campaigns and initiatives to co-construct and implement the DEI Strategic Plan. There

is also a strong sense of synergy as internal stakeholders have a deeper awareness of university populations and operational areas that need attention to elevate our commitment to diversity and see all faculty, staff, and students thrive holistically. As the university community continues to navigate Phase 1 of the DEI Strategic Plan, there is demonstrated collaboration and consensus across all levels of the institution, including Trustees, administration, faculty, staff, and student leadership, to fully commit to and realize the strategic priorities contained in the DEI Strategic Plan, translating to a healthier campus climate that reaps increased success for students, employees, and the organization.

Response to Further Recommendations

In the July Letter, WSCUC noted three “Further Recommendations,” including the following:

1. Communication: In order to strengthen the campus community’s ability to live out the mission of APU, the campus leadership needs to implement effective pathways for regular internal communication. (CFRs 3.7 and 4.6)
2. Academic Program Assessment and Review: Align assessment and program review processes and use the results to inform the annual budget planning process to ensure quality of the academic programs. (CFRs 2.7, 3.7, 4.3, and 4.4)
3. Data Collection, Analysis, and Use: Continue to integrate and enhance data collection and analysis to facilitate insightful decision-making to effectively carry out the mission of the institution. (CFRs 4.1, 4.2, and 4.3).

Additional Work Groups were formed to address these three priorities, with progress outlined below.

Communication (WG7)

Regular and Consistent Communication

In the WSCUC July Letter, the following item was noted related to communication:

... while ensuring regular and consistent communication with the campus community. (CFRs 1.3, 1.5, 1.7, 3.6, and 3.9)

Azusa Pacific University leadership agrees with the Commission’s recommendation that the campus community receive regular and consistent communication and that APU quickly operationalize this practice as a core value. The following steps have been taken to proactively engage the campus community in the business of the university:

- The President has met monthly with the current, former, and incoming Faculty Senate Moderator to build relationships and open the lines of communication. The Provost now joins him in those meetings.
- The President has met monthly with the current, former, and incoming Staff Council Chair and the Chief of Staff to build relationships and open the lines of communication. The VP/CFO now joins him in those meetings.
- The President has met monthly, during the academic year, with the Student Government Association Executive Team to build relationships and open the lines of communication.
- The President initiated Community Conversations, open to all faculty and staff, and scheduled soon after each meeting of the Board of Trustees. The intent is to inform the community of the strategic topics addressed at the Board level and give faculty and staff the opportunity to learn and have questions answered. Total in-person and online attendance has been promising overall: October 2022, 576; January 2023, 492; February 2023, 570; May 2023, 653; and November 2023, 445. Recordings become available on the employee portal within 24-48 hours of live broadcast.

- In 2022-23, President Morris embarked on a 17-stop Listening Tour across campus, extending the lines of communication with faculty and staff. The primary question faculty and staff were asked to consider was, “What would have to be true for APU to thrive missionally, organizationally, and relationally?” All sessions were recorded and the accumulated insights were categorized and reported back to the community. The rich Listening Tour feedback underscored the community’s desire for increased transparency and communication from leadership. Numerous corrective steps have been taken, and the President has said publicly that his Administration is committed to building trust through greater transparency and engagement with the community.
- The President and his Cabinet have provided the community with a regular pattern of [written communications](#), covering such topics as enrollment, budget, and key administrative appointments.
- The President has presented to the Faculty Senate each semester since his arrival. All sessions have included open question-and-answer sessions.
- The President has attended and presented at full faculty meetings each semester since his arrival. All sessions have included open question-and-answer sessions.
- In January 2023, the President met with the Staff Council, and in June 2023, the President met with the Academic Cabinet. Although members of these teams have attended various other community meetings, the President wanted focused time with these groups for enhanced communication.
- Since her appointment effective July 1, 2023, Provost Henck has met regularly (generally weekly) with the Faculty Senate Moderator and others in academic leadership to enhance the lines of communication and improve collaboration. In addition, she has held several open forum sessions for faculty on key decisions under consideration, as well as met with SGA leadership. Provost Henck and VP/CFO Dahlke met with all Deans and their leadership teams on program viability and then were available to meet with each Dean/Chair/faculty for programs on high-level review. With a recent transition in Staff Council leadership, a new pattern of engagement will be established with the Provost in the near future.
- Recordings of important in-person gatherings and key electronic documents/presentation slides are posted to the employee portal, Total Access, to advance transparency, build trust, and foster awareness.

Campus Communication

Work Group 7 (WG7) was established to address campus communication. Composed of representatives from across the university, WG7 met 12 times from November 2022 to July 2023. In particular, they were tasked with identifying communication channels and assessing rhythm, audience group, and engagement. The team focused the principles and purpose of communication on building trust, increasing transparency, inspiring and motivating, and reinforcing the APU mission.

The group also availed itself of campus experts in mediation, morale, internal communications, and data to deepen and refine WG7’s reflections. From these conversations, WG7 then consulted the literature on internal communications best practices in higher education and assessed the many existing channels to enhance communication practices and recommended methods that touched the widest cross section of the university.

The WG7 chair collaborated with WG6 on a comprehensive rollout of the Campus Climate Survey findings, along with the development of the DEI Strategic Plan, to campus constituents. The intent was to ensure transparency, solicit feedback, and promote engagement. Details of those tactics appear in the DEI section of this report. The combined efforts of WGs 1, 2, and 8 (finance, enrollment, and program review) to produce the University Planning Timeline: A Guide to Academic, Enrollment, and Budget Integration (UPT) led to consultation with the VP for Strategic Communication and Engagement (VPSCE)/WG7 chair to discuss the best path forward for sharing through proper governance channels, including providing full campus access via Total Access. This broad effort sought to introduce the UPT tool, underscore the connections between these divisions, and demonstrate commitment to clarity around the budget. In addition, a communication plan was developed in partnership between the Provost and the VPSCE to address the school realignment and program viability projects. Given these initiatives' impact, the plan encompasses updates to faculty, staff, and students around action points ahead of decisions, as well as final decisions.

Consistent Communication

To build trust and bolster transparency, the President prioritizes communication with the APU faculty, staff, and students to hear from him in person, through email, on film, and via the university's main social media account. Comprehensive email updates were sent from the President in December 2022 and June 2023, and will increase in 2024 to quarterly.

Presidential addresses to the campus community are later provided electronically to other constituents. For example, President Morris' Faculty/Staff Kickoff address was edited to a 9-minute video disseminated to more than 93,000 constituents. That broader distribution also launched the AzusaPrays initiative, a monthly university prayer request list from the President to more than 500 external constituents (who have opted in), another step in the purposeful and methodical effort to strengthen the APU narrative and demonstrate ongoing commitment to institutional identity. Enhanced communication efforts will include creating a regular rhythm of divisional updates to the community in person and through written form.

The Strategic Communication and Engagement (SCE) division established the Campus Communications Connection to promote information sharing across divisions, encourage collaborative approaches to campus initiatives and events, and avoid communication gaps. This 20-member group draws individuals from across APU business and academic units on a monthly basis. The goal is to maximize information sharing, awareness, and education and bolster usage of the 12 main communication channels. That effort, combined with a cross-unit project to establish a university master calendar, will further communication efforts, extend information sharing, and maximize resource investments.

In addition, the SCE team is restarting the Campus Relations Committee, which draws individuals from across campus to assess the temperature of the campus climate and proactively work to offset any challenges through informal and formal communication efforts.

Additional Branding Work

Last spring, the university began campus-wide work on the development of a collection of Athletics logos and typography to maximize the APU brand effort and reflect the personality archetype developed through the work of Carnegie (see p. 13). This process invited broad collaboration in the selection process, included research and market testing, and generated enthusiasm for the creation of a cohesive presentation of Athletics given the affinity it generates. Carnegie provided hundreds of options; the cross-divisional campus team narrowed the selection to six, then sent two to the marketplace for testing. Deliverables include a Cougar mascot, a claw mark, and typography for the acronym APU and the word Cougars. Final marks were delivered in December 2023, providing ample time for Athletics to apply the marks to their standard uniform ordering cycle and for the Campus Store to order merchandise for Fall 2024. The body of work now shifts to application on signage, buildings, uniforms, and other merchandise, as well as strategic timing for a full rollout for maximum impact on campus and in recruiting.

Attention next turns to the broader brand effort. How will the brand be experienced as a whole? How do the individual brand expressions work in the larger brand ecosystem? The Strategic Communication and Engagement division will work to provide that guidance and consider how to introduce brand flexibility as schools/colleges are realigned and new program offerings are introduced. Key deliverables will include a brand guide with a rollout and education plan for the university community, an informal logo used on campus for student activities (called a “spirit mark”), and a redesigned magazine.

Reflections

Combined, great strides have been made to advance internal communication and maximize messaging for greatest impact. The work continues in earnest as university colleagues explore the capabilities of the new content management system to enhance messaging, create communication plans around priority projects, and reinforce institutional identity as a Christ-centered university. There has been positive feedback from the community on the transparency and consistency of communication.

Academic Program Review and Assessment (WG8)

In the WSCUC July Letter, the following items were noted related to academic program assessment and review:

Align assessment and program review processes and use the results to inform the annual budget planning process to ensure the quality of the academic programs. (CFRs 2.7, 3.7, 4.3, and 4.4)

Align Program Assessment and Program Review (CFRs 2.7, 3.7, 4.3, and 4.4)

The Administration of Azusa Pacific University agrees with the Commission’s analysis that program assessment and program review need to be aligned and used to inform the annual budget planning process to ensure the quality of the academic programs. Following the Commission’s July 2022 Letter, the following steps have been taken:

- The Program Assessment and Review Committee (WG8) began meeting in November 2022. In the first few meetings, feedback loops relative to program assessment and program review were discussed. Academic unit representatives explained processes, and there was unity among areas represented in terms of what data resided in academic units and what additional data was needed to make informed decisions or extend

a timeline for program redesign. Other institutions' definitions and processes were presented and reviewed. By January 2023, a document was accepted that identified all areas of program assessment that could be annualized. In Spring 2023, academic representatives worked with the Interim Provost to share the assessment framework with department leaders. Simultaneously, the Office of Institutional Research proposed tools to streamline communication between enrollment, finance, and academic Deans. The procedures and practices were consolidated by the CFO into a timeline adjusted to better align with the academic calendar and presented to the group. During Summer 2023, the timeline was refined, and the group accepted a preliminary timeline. In the last five meetings, the timeline has been shared with other Work Groups, as well as Cabinet members.

- Concurrently, WG8 engaged in a review of current program assessment processes. The team examined existing processes, including annual program learning outcome reporting, the program review process that occurs every seven years, and the newly implemented fiscal viability report. Additionally, feedback was sought from Deans and Department Chairs during Department Chair meetings at the school level, similar in style to focus groups, where data was collected and summarized back to WG8. WG8 decided that the existing program learning outcome review and faculty evaluation processes are sufficient, but need to be aligned to the budget timeline and an annual program assessment process.
- [The University Planning Timeline: A Guide to Academic, Enrollment, and Budget Integration \(UPT\)](#) (see p. 21).

Develop Program Review (CFRs 2.7, 3.7, 4.3, and 4.4)

Developing program review more broadly is a high priority of Provost Henck, who is deeply familiar with APU program review practices from previous roles as Program Review Committee member, Program Director, Chair, and Dean. There is strong support for revisioning academic program review—to include program viability, as well as more evident use of the evaluation and feedback process for continuous program improvement. More will be operationalized in Spring 2024. However, since the Commission's July Letter, the following steps have been taken to develop fiscal viability measures and processes, and then to incorporate them in the annual program review cycle:

- As stated earlier, CFO Dahlke engaged national consultants CFO Colleague to prepare a program viability report and assist with developing an internal APU model and process.
- Provost Henck and CFO Dahlke presented the [Fiscal Viability](#) report to Deans and then to the Faculty Senate (open to all faculty) on November 10, 2023 (see p. 10).
- The work of program review and program viability will inform the FY25 Budget and the Multiyear Financial Roadmap. See the UPT for more details (p. 21).

Data Collection, Analysis, and Review (WG9)

In the WSCUC 2022 Letter, recommendations included the need for enhanced data collection, analysis, and review:

Continue to integrate and enhance data collection and analysis to facilitate insightful decision-making to effectively carry out the mission of the institution. (CFRs 4.1, 4.2, and 4.3).

Aligning with WSCUC Recommendations

The following actions demonstrate early momentum to develop, operationalize, and embed these new data practices in institutional cycles:

- External consultant CampusWorks completed a thorough analysis of APU's information technology and data capabilities, analyzing management, technology, and operations, and providing its findings on January 13, 2023.
- An early project of the President's Cabinet involved developing an [enhanced data dashboard](#) for the Board and senior university leaders. The Board received this as a draft in May 2023 and in final form in October 2023. The dashboard will be updated three times per year, prior to each board meeting, to provide the most current and best data for effective decision-making, and shared with the university community shortly thereafter.
- In its February 2, 2023, progress report, titled Enhancing Data, Collection, Analysis, and Use at APU, WG9 advocated for specific data governance solutions. This included draft charters for the creation of the following three governance committees:
 - Data Governance Executive Committee
 - Data Governance Committee
 - Information Technology and Security Council

After further discussion, WG9 expanded the Data Governance Executive Committee to include Information Technology in order to provide improved strategic oversight. Therefore, the new Information Technology and Data Governance Executive Committee (ITDGEC) was established in March 2023 and its [charter finalized](#).

Meeting three times between March and August 2023, the ITDGEC membership includes:

- Chair - Aaron Dahlke, CPA, Vice President for Finance and Administration/CFO
- Anita Henck, PhD, Provost (previously Stephen Johnson, DMA, Interim Provost)
- Michael White, MA, Vice President for Enrollment Management
- Joe Desuta, Interim Chief Information Officer (consultant)

Key ITDGEC Outcomes

To begin addressing long-standing institutional “data issues,” data definitions were deemed a critical priority. Key data definitions, such as headcount, FTE, and Gross vs. Net Revenue, were reviewed, including looking at peer institutions’ data definitions. The following items were reviewed as a part of this discussion:

- [American University Academic Data Reference Book](#)
- [Proposed Data Definitions](#)

To focus on the launch of the Data Governance Committee (DGC) and the Information Technology and Security Council (ITSC), the ITDGEC prioritized finalizing the membership of these committees. The finalized charters for these new governance committees are below:

- [Information Technology and Data Governance Executive Committee—Terms of Reference \(March 2023\)](#)
- [Data Governance Committee— Terms of Reference \(February 2023\)](#)

The ITDGEC also initiated a strategic review and prioritized resources for IT projects across the institution. This work will be transitioned to the newly formed ITSC.

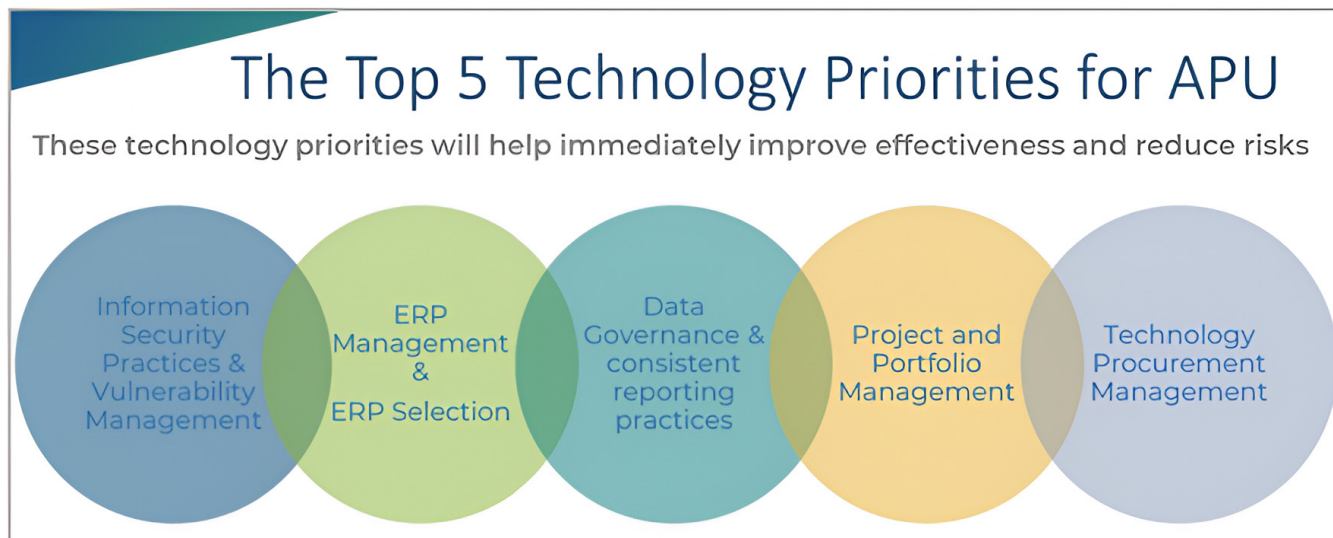
ITDGEC Next Steps

With a solid foundation laid, the ITDGEC expedited the launch of the Data Governance Committee and the Information Technology and Security Council to November 2023. Thereafter, the ITDGEC’s role shifts to oversight, approval, and clear direction for these governance committees. To align these committees with key institutional priorities as defined by WSCUC criteria, the ITDGEC offered this strategic guidance:

- The Data Governance Committee will focus on the alignment of the following data definitions and timetables for measurement across all sectors:
 - Headcount
 - Retention
 - FTE
 - Graduation Rates
 - Average net tuition by student in graduate programs
 - Benchmark average TUG rate
 - Residential v. nonresidential study body numbers
 - Average class size
- The ITSC’s focus will be to:
 - Implement an institutional IT project review process with input from key areas across the institution.
 - Review institutional software contracts with a focus on consolidation and cost savings.

CampusWorks Recommendations

The CampusWorks January 2023 report offered 58 recommendations across the three areas of focus, affirming the need to fill key positions such as a Chief Information Officer (CIO) and an information security leader, and to resolve specific security vulnerabilities. CampusWorks also identified data governance and consistent reporting practices as a key APU priority.



Actions Taken to Address CampusWorks Recommendations

APU has taken several significant steps to address the CampusWorks recommendations. The first was to hire an Interim CIO, Joe Desuta, with more than 25 years of broad-based IT experience and a track record of implementing data and IT governance. Desuta will chair the Data Governance Committee and the Information Technology and Security Council. Below is a list of the strategic next steps that will be led by the new Interim CIO:

- Champion an inclusive institutional effort to build a consolidated data team. This new data team will focus on building a culture of data-driven decision making via increased data accuracy, availability, accessibility, and literacy.
- Lead the effort to review the current PeopleSoft implementation and evaluate alternative solutions.

APU also hired a Director of Information Security, Rob Davis, to build a security-aware culture and address security vulnerabilities. As an internal candidate, Davis' experience with APU systems will accelerate the ability to be responsive, as he brings deep awareness of the systems' limitations and needs. Next steps include deploying annual security awareness training for the APU community and a thorough review and update of IT and security policies. Additionally, in August 2023, APU implemented CrowdStrike to further improve APU's security posture, which is a prerequisite to having an environment to produce and rely on actionable data.

Other Issues: Positive New Realities; Additional Opportunity to Address

Positive New Realities

Discipline-Specific Accreditation Reaffirmations (CFRs 3.1, 3.2, 3.3, and 3.10)

In their commendations, the visiting team highlighted the continued quality of the student experience by identifying the “resilience and unwavering commitment of faculty and staff to the intellectual development, spiritual growth and holistic care of students amidst myriad challenges.” This has been an ongoing strength of APU since the April 2022 visit, and there have been five positive discipline-specific accreditation actions:

- Business
 - [International Accreditation Council for Business Education \(IACBE\): accredited through July 21, 2029, Letter](#)
- Education
 - [California Commission on Teacher Credentialing \(CTC\): accredited annually \(Credentialing Program, School Nurse Program, School Social Work Program, and Special Education\)](#)
 - [National Association of School Psychologists \(NASP\): accredited through August 1, 2027, Letter](#)
 - [Council for the Accreditation of Educator Preparation \(CAEP\): accredited through December 2029, Letter](#)
- Engineering
 - [ABET: Engineering Accreditation Commission \(ABET\): accredited through September 30, 2028, Letter](#)

Community Commitment to Research (CFR 2.8)

APU has a unique status among faith-based and Hispanic-Serving Institutions (HSIs) with its R2 status in the Carnegie Classification system. In light of APU’s challenging financial realities, the collective decision to continue to pursue the R2 status this academic year shows particular commitment to graduate education and the research capacity of faculty and students. This decision was not taken lightly and evidenced a collaborative moment as the Academic Cabinet and Faculty Senate supported the pursuit of the status, which was subsequently endorsed by the President’s Cabinet and the Board of Trustees. With recent changes to the Carnegie Classification system, APU will continue to review expectations for each research status level, with a continued commitment to support student and faculty research as integral components of our educational delivery.

The next review cycle for the R2 status will occur in Summer 2024 with data provided by the HERDS survey by the end of January 2024. In further support of faculty research, Provost Henck prioritized centralizing travel funds from her office so that faculty can present research at scholarly conferences (this had been discontinued by some schools and colleges in budget reduction processes). The Academic Cabinet supports this approach.

Increased External Funding (CFR 3.5)

Adding fuel to APU's commitment to high scholarly output was an outpouring of financial support from various funding sources. During FY23, APU's Office of Research and Grants (ORG) secured more than \$21 million in external funding. Currently, nearly \$9 million in external funding has been received in FY24 (as of November 20, 2023).

Highlights of the [complete list](#) include:

- Project Title: *Support for Transformational Training Pathways for Hispanic Pastors Program*
Sponsor: Lilly Endowment Inc.
Lilly Endowment Inc. awarded a grant of \$4,999,904 to Azusa Pacific University in October 2022 as part of the Pathways for Tomorrow Initiative. This funding will support a partnership between APU, Life Pacific University (LPU), and the Latin American Bible Institute (LABI) to create transformational training pathways for Hispanic pastors.
- Project Title: *Advancing Student Achievement and Success*
Sponsor: U.S. Department of Education (DOE), Title V/Developing Hispanic Serving Institutions. The U.S. Department of Education awarded APU \$2,728,298 for a five-year project under the Title V/Developing Hispanic Serving Institutions Program. The key overall goals and measurable objectives include: a) increasing student retention and graduation rates through the use of improved academic advising models, upper-class learning assistants, and a Summer Bridge Program; b) improving organizational infrastructure and student tracking data systems through the development of a Student Success Network and implementation of Stellar student retention software; and c) enhancing the student experience in the classroom via faculty development programs focused on justice, equity, diversity, and inclusion (JEDI), curricular/GE revisions inclusive of culturally responsive pedagogies, and mentorship skill development.
- Project Title: *TRIO McNair Postbaccalaureate Achievement Program*
Sponsor: U.S. Department of Education (DOE)
The TRIO McNair Postbaccalaureate Achievement Program provides research and scholarship opportunities to undergraduate students who identify as low-income and first-generation, show high promise in disciplines across the academic curriculum, and demonstrate commitment to pursuing advanced degrees (in particular, doctoral degrees). Funding of \$272,364 per year over five years (\$1,361,820 total) was awarded by the U.S. Department of Education.
- Program Title: *Nursing Student Loan (Baccalaureate and Master's)*
Sponsor: U.S. Health Resources and Services Administration (HRSA)
In 2022, APU received funding of more than \$4 million as part of the Nursing Student Loan (NSL) program. This funding is awarded to nursing schools that in turn offer long-term and low-interest loans to students in need who pursue nursing degrees. This program will provide \$1,473,213 to graduate nursing students and \$2,922,987 to baccalaureate nursing students.
- Program Title: *Advanced Nursing Education Workforce*
Sponsor: U.S. Health Resources and Services Administration (HRSA)
This four-year grant of \$2,598,706 was awarded to APU's School of Nursing in 2023 (competitive renewal) and seeks to expand the residency program designed for Advanced Practice Registered Nurse (APRN) students,

specifically new family nurse practitioner (FNP) students intending to practice as primary care providers (PCPs) in medically underserved areas (MUAs) of San Bernardino and Los Angeles counties.

- Program Title: *Nurse Education, Practice, Quality, and Retention: Simulation Education Training Program*

Sponsor: U.S. Health Resources and Services Administration (HRSA)

Funding of \$1,498,963 was awarded for this three-year project that seeks to increase the number and capacity of nursing students to address the healthcare needs and improve patient outcomes of medically underserved populations in Los Angeles and San Bernardino counties.

- Project Title: *Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus Program*

Sponsor: U.S. Department of Justice (DOJ)

The U.S. Department of Justice/Office of Violence against Women awarded \$399,953 to APU for this project.

This is the first grant APU received from the U.S. Department of Justice.

- Project Title: *Volunteer Income Tax Assistance (VITA) Matching Grant*

Sponsor: Internal Revenue Service (IRS)

This is APU's first IRS grant award. Through the VITA program funding (\$10,000 over one year), APU will provide tax services to Azusa residents, committing to a minimum of 275 returns.

Athletic Success in NCAA (CFR 2.11)

Since joining the NCAA in 2012, Azusa Pacific has won 45 PacWest titles and made 67 NCAA postseason appearances across its 18 programs. In addition to their excellence in competition, Cougar student-athletes have excelled in the classroom. Since 2016-17, Azusa Pacific athletes have consistently graduated at a rate of 82% or better, marking a significant improvement over the 74% average during the final years of the program's NAIA membership. Additionally, since 2015, the Cougars have averaged more than 110 PacWest All-Academic honorees each year, and 35 Azusa Pacific student-athletes have been named the Scholar-Athlete of the Year for their respective sports. In 2022-23, Azusa Pacific student-athletes combined for a department-wide cumulative grade-point average of 3.30.

APU's intercollegiate athletics program continues to shine as it completes its first decade in the NCAA. One of the two winningest athletic programs in NAIA history, APU moved to the NCAA and a higher level of competition in 2012. The Cougar athletics program of 18 sports and 355 student-athletes continues to positively represent the university and the city of Azusa, carrying the banner of the Canyon City in championship-level competition throughout the country. As a testament to their continued success, during the 2022-23 year, the Cougars finished sixth in the NACDA Directors' Cup standings. This prestigious award measures the overall competitive success of every NCAA Division II institution based on the number of programs that advanced to their respective NCAA playoff tournament. The Cougars qualified for 10 NCAA postseason competitions, highlighted by the women's track and field team winning the NCAA Division II outdoor track and field national championship for the second time in three years. Less than 10 days after capturing this year's title, the team was invited to the White House to commemorate its championships along with other schools crowned NCAA champions in other sports during the year.

On the local level, the Cougars won their third straight Pacific West Conference Commissioner's Cup trophy, recognizing APU as the best all-around athletics program in the PacWest. Five Cougar teams won conference titles in 2022-23: the men's and women's track and field teams swept the conference crown for the seventh consecutive season, men's tennis won their second consecutive PacWest title, women's basketball was the regular season and tournament champion for the second straight year, and the baseball team won the inaugural PacWest Conference Tournament Championship.

Additional Opportunity to Address

After the July 1, 2023, appointment of Dr. Henck as Provost, she quickly focused on key academic initiatives outlined throughout this report. One area noted by WSCUC during their last visit was their encouragement for APU to refresh the General Education (GE) curriculum. Specifically, the report stated, "During the site visit, the team met with general education leadership and committees, including the Honors College Dean. Given the strain caused by APU's financial challenges and reductions in staff and faculty, consideration of major curricular changes is too much to ask at this time."

Revision of the General Education Curriculum (CFRs 2.2a, 3.1, 3.10)

Provost Henck, in collaboration with Faculty Moderator Noble, General Education Director Bryant Mathews, PhD, and General Education Council Chair Ethan Schrum, PhD, has begun preliminary conversation about the General Education program and curriculum. Notably, significant change in the traditional undergraduate population has resulted in uneven GE course enrollments, with nearly 25% of approved GE courses not offered in recent years and increased requests to transfer in GE courses as equivalents. In addition, President Morris commissioned a review of the 18 units of biblical, theological, and philosophical formation that are part of the GE curriculum. The timeline was presented as follows:

- Fall 2023 – Hire a General Education Director. By policy, the GE Director reports to the Provost, so Dr. Henck, in consultation with the Faculty Senate Moderator, posted the position for full-time faculty applications. Two candidates emerged who interviewed with the GE Council, as well as the Provost and Faculty Moderator. Mathews was selected and began the role in October 2023. Meanwhile, Provost Henck hosted a meeting on December 12 with Faculty Moderator Noble, General Education Director Mathews, and new General Education Council Chair Schrum to plan ahead for the Spring 2024 work. This collaborative meeting included an overview of policies and practices, as well as the current campus climate regarding General Education. Provost Henck proposed and, after discussion, all agreed to bring in Wheaton College's Sarah Miglio, PhD, General Education program consultant, to facilitate the planning process in Spring 2024.
- Spring 2024 – Facilitate discussions about General Education curriculum design. The goal is to develop a reconceptualized guiding ethos for General Education (for traditional undergraduates, transfer students, and Honors students), with a framework completed by early Summer 2024. Course design would begin as early as Summer 2024 and continue into Fall 2024, with proposed courses going to the appropriate councils in Spring 2025, for a Fall 2025 launch of a reconceptualized General Education ethos and related policies regarding core courses required of all students, GE course transfer policies, etc.

With two undergraduate populations (traditional and professional), the GE program will be reviewed and revised to ensure that it serves both populations. Much of the current GE goes back many years to when there was no professional undergraduate population. A proposal presented to the Faculty Senate in 2011-12 was voted down, resulting in the current cafeteria model of courses offered to fulfill the learning outcomes. The revision will also ensure that all undergraduate populations graduate with similar experiences and skill sets provided by the GE curriculum.

Concluding Statement

Following receipt of the WSCUC sanction letter dated July 11, 2022, President Morris immediately mobilized internal stakeholders and key external consultants to activate a strategy to build the systems and processes for organizational health, effectiveness, and sustainability. As evidenced throughout this report, the new administration, under President Morris' capable leadership, has responded to the July Letter with concrete actions designed to address the serious challenges facing APU. The true value of the Warning Letter is its impetus for organizational transformation—a reimagining of the university—and for this, the entire Azusa Pacific University community thanks the WASC Senior College and University Commission.

APU now has stable and strong senior leadership, is breaking down institutional barriers and silos, has provided role clarity and definition for the Board, President, administration, faculty, staff, and students, and is experiencing increased levels of collaboration and trust. New lines of communication have been opened across the university, and there is a level of transparency from the President and Administration now being described as “new and incredibly refreshing.” Great strides have been made toward building a system of shared governance, with equal progress in Board effectiveness. There is a shared commitment to work collaboratively to advance the work and mission of the university.

The Campus Climate Survey provided keen insights on where APU needs to grow in its commitment to diversity, equity, and inclusion across faculty, staff, and students, and served as the impetus for the new DEI Strategic Plan. For this, APU is grateful.

Through the critical work of the past 18 months, leadership finally has linkage among the portfolio of academic offerings, multiyear enrollment forecast, and long-range financial roadmap. Alignment across these divisions has been missing at APU and has contributed to the university's financial challenges of the last decade. With a skilled Provost, CFO, and VPEM now in place, led by a President who is collaborative, metrics-driven, fully engaged in the rebuilding effort, and holds the confidence of the Board, APU is effecting change. Old patterns are being abandoned, new systems and structures are being built, and the institution is moving from a reactive posture of surviving to strategic and proactive conversations about thriving. With trustworthy data in hand, the APU community has a much deeper appreciation and understanding of the magnitude of the changes required a vast improvement from past narratives and understanding.

Although early in its comprehensive rebuilding effort, the institution has taken bold and strategic action since receiving the Commission's Warning Letter, and is incredibly invested in and optimistic about the future. This report updates WSCUC on the University's progress thus far, but more importantly, it describes the transformation under way that will position APU for its next 125 years of missional and educational impact.

At the conclusion of the Faculty Senate meeting on December 1, 2023, the President was asked the following question: *“In your view, what will a healthy APU look like in 2030? What encouraging possibilities in the areas of teaching, research, community engagement, and mission can the faculty anticipate if the current reforms succeed?”* The President's response captures the heart of what APU is driving toward, which is a Christian university that is:

- Known for its Christ-centeredness.
- Anchored by a portfolio of academic offerings that attract students, equipping them for their desired outcomes.
- Surrounded by a thriving community of faculty scholars.
- Known for innovation and nimbleness and able to quickly capitalize on opportunities.
- Student-centered, with a seamless connection between the curricular and cocurricular.
- Robust in its commitment to faculty development.
- Marked by a fully functional Office of Faith Integration.
- Equitable in terms of faculty/staff compensation, with strong employee retention.
- An employer of choice where people thrive professionally, academically, spiritually, and relationally.
- Strategic in its approach to academic content delivery (on ground, online, hybrid).
- Engaged in a comprehensive Campus Master Plan, with improvements well under way.
- Fully utilizing its modernized and upgraded East Campus.
- Well into a comprehensive fundraising campaign addressing key academic priorities.
- Released from the pressure of its debt covenants and possibly debt free.
- Benefiting from a well-defined partnership with Los Angeles Pacific University, our online subsidiary.
- Fully leveraging its regional campuses, with growing enrollment and well-connected faculty, staff, and students.
- Able to clearly articulate the uniqueness of an APU education and its value proposition to students and families.
- Offering degree and nondegree programs to the growing population of adult learners.
- Experiencing the benefits of a refreshed GE curriculum, with an attractive and winsome articulation of the value of a liberal arts education.
- Financially stable and able to invest in our people and programs.
- Strong in its retention of students, with a robust, well-resourced Office of Student Success.
- Committed to diversity, equity, and inclusion, with a 2030 Campus Climate Survey that shows measurable progress over the 2023 survey results.
- Benefiting from an international recruitment strategy.
- In close partnership with at least five local community colleges with seamless pathways for transfer students.
- Well networked with employers, aligning the needs of industries with APU's academic programs, thereby enhancing student employability.
- Strengthened by an expanded Board, including additional members with strong academic experience.
- Marked by best-in-class shared governance, with the mindset that all stakeholders are rebuilding APU together.
- Experiencing a campus culture described as unified, fulfilling, energizing, productive, missional, and thriving.
- In full compliance with WSCUC, and thereby committed to, and experiencing, excellence across the entire university.

This inspiring vision of APU's future is possible only if we take the steps today to rebuild and reimagine a transformed university. The APU community is aligned and firmly committed to this end, and believes that the steps outlined in this report provide a clear path forward that will position APU for long-term health and sustainability. The future for APU is bright, and we look forward to updating the WSCUC Special Visit Team on the university's progress in March 2024.

Standard 3 (2013)

The institution sustains its operations and supports the achievement of its educational objectives through investments in human, physical, fiscal, technological, and information resources and through an appropriate and effective set of organizational and decision-making structures. These key resources and organizational structures promote the achievement of institutional purposes and educational objectives and create a high-quality environment for learning.

CFRs	Page(s) addressed
CFR 3.1	28, 31, 52, 55
CFR 3.2	52
CFR 3.3	52
CFR 3.4	13, 20, 21, 22, 25
CFR 3.5	53
CFR 3.6	6, 28, 34, 36, 44
CFR 3.7	6, 28, 47
CFR 3.8	2
CFR 3.9	28, 34, 36, 44
CFR 3.10	31, 52, 55

List of Documents Referenced in the Report

- 01 [APU Org Chart](#)
- 02 [Cabinet Covenant](#)
- 03 [WSCUC Working Groups](#)
- 04 [Strategic Enrollment Plan 2023-28](#)
- 05 [SEP Process](#)
- 06 [Viewbooks, GIB, Billboards, Social Media](#)
- 07 [University Planning Timeline](#)
- 08 [Guiding Principles and Preliminary Targets for the Use of the Real Estate Proceeds](#)
- 09 [Shared Governance Survey Results](#)
- 10 [Slides from WSCUC Shared Governance Summit](#)
- 11 [AGB Final Report](#)
- 12 [2017 AGB Statement on Shared Governance](#)
- 13 [Transforming Shared Governance into an Engine for Agility \(AGB Trusteeship - May/June 2023\)](#)
- 14 [Shared Governance Model Statement](#)
- 15 [Proposed Organizational Structures](#)
- 16 [Gyertson - Board Governance Slides \(1/18/23\)](#)
- 17 [Selingo - Future of Higher Ed Slides \(1/18/23\)](#)
- 18 [Campus - Digital Platforms for Digital Learners Slides \(1/18/23\)](#)
- 19 [Board Shared Governance BES Slides \(10/19/23\)](#)
- 20 [Best Governance Practices Overview Memo by Dr. David Gyertson](#)
- 21 [Governing Board Effectiveness for Faith-Based Organizations by Dr. Gyertson and Dr. Andringa](#)
- 22 [Reimagining the University by Jeffrey Selingo](#)
- 23 [The Shrinking of Higher Ed by Karin Fischer](#)
- 24 [Digital Natives, Digital Immigrants by Marc Prensky](#)
- 25 [Azusa Pacific University Board of Trustees Manual \(Updated 11/14/23\)](#)
- 26 [HEDS Diversity & Equity Campus Climate Survey Preliminary Results \(APU\) May '23](#)

- 27 [APU D&E Comparison Report \(2023\)](#)
- 28 [Azusa Pacific University DEI Strategic Plan \(2023-26\)](#)
- 29 [Messages from the President](#)
- 30 [Faculty Senate Program Viability \(11/10/2023\)](#)
- 31 [Enhanced Data Dashboards](#)
- 32 [Information Technology and Data Governance Executive Committee Terms of Reference March 2023](#)
- 33 [Academic Data Reference Book 2022-23](#)
- 34 [Data Governance Committee Terms of Reference \(February 2023\)](#)
- 35 [Information Technology and Security Council Terms of Reference \(February 2023\)](#)
- 36 [School of Business and Management IACBE Certificate of Reaccreditation 2022-29](#)
- 37 [School of Business and Management IACBE Decision Letter](#)
- 38 [2023 CTC SOE Credential Related Programs](#)
- 39 [2023 NASP Final Recognition Letter](#)
- 40 [Engineering ABET Letter to Dean](#)