



March 10, 2020

President Reyes Gonzalez
Saint Augustine College
1345 W. Argyle St.
Chicago, IL 60640

Dear President Gonzalez:

The interim report you submitted to our office has now been reviewed. The staff analysis of the report is attached.

On behalf of the Higher Learning Commission staff received the report on low composite scores and faculty qualifications policy

An interim report is due 12/31/2020 on 1) an assessment plan that engages entire community and has course level, program level and co-curricular goals that are tied to institutional goals, 2) evidence of institutional completion goals, 3) evidence that data from programs and unit operations are inform the budget prioritization process, and, 4) an update on the implementation of the new strategic plan.

Further, the institution is required to submit an additional interim report on enrollment and finances. The report, which is due by October 1, 2021 should include, at minimum, the following: 1) Enrollment figures through Fall 2021, with a three-year comparison showing Fall 2019 and Fall 2020; 2) Enrollment projections through Fall 2023 based on figures derived from enrollment planning procedures described in the report; and 3) Final operating budget figures for AY2020-2021 (FY21) and the approved operating budget for AY2021-2022.

The institution's next reaffirmation of accreditation is scheduled for 2023– 2024.

Please note: Revisions to HLC's Criteria for Accreditation will go into effect on September 1, 2020. Institutions will be evaluated against the revised Criteria for all reviews conducted after that date, including reviews related to previously assigned monitoring. Institutional reports submitted after September 1, 2020, that reference the Criteria should be written to the revised version. More information about the revised Criteria, including a crosswalk between the current and revised versions, is available on HLC's website at <https://www.hlcommission.org/criteria>.

For more information on the interim report process contact Lil Nakutis, Accreditation Processes Manager, at lnakutis@hlcommission.org. Your HLC staff liaison is Tom Bordenkircher (tbordenkircher@hlcommission.org); (800) 621-7440 x 122.

Thank you.

HIGHER LEARNING COMMISSION



STAFF ANALYSIS OF INSTITUTIONAL REPORT

DATE: March 10, 2020

STAFF LIAISON: Tom Bordenkircher

REVIEWED BY: Steven Kapelke

INSTITUTION: Saint Augustine College, Chicago, IL

EXECUTIVE OFFICER: Dr. Reyes Gonzalez, President

PREVIOUS COMMISSION ACTION AND SOURCES: An interim report is required by 12/31/2019 on 1) a description of how the institution is addressing HLC's concern with its low composite scores, specifically how the strategic plan, exploration of new enrollments, and financial planning have and are expected to affect the institution's overall financial position, and, 2) an updated faculty qualifications policy and evidence that the policy is being implemented.

This interim report derives from the Team Report of the institution's 2018 Comprehensive Evaluation and subsequent IAC Action.

REPORT PRESENTATION AND QUALITY: The St. Augustine College interim report is presented in a clearly written, well organized narrative, supplemented with three supporting documents: *The Faculty Credentials Policies & Procedures Guidebook* and two 2019 audits of faculty credentials, one "complete," the other focused only on general education courses. Evidence provided in the report indicates that the report is thorough and candid.

REPORT SUMMARY: The "content" of the College's interim report is supplied in two sections, the first of which addresses concerns pertaining to the institution's finances—the second, its policy on faculty credentials

"Section 1: Improving St. Augustine College's Financial Position" is presented in a series of subsections (1A through 1E), each of which focuses on one feature of the institution's efforts at creating a sustainable financial situation. In each of these, the report provides examples of the noted activity.

1A: Introduction and Background: Here the report provides an overview of the College's current financial circumstances, noting the challenges facing many institutions of higher learning with regard to such factors as declining numbers of high school graduates and "changing student demographics." The report acknowledges the importance of the

College's financial health as reflected partly in the Composite Financial Index (CFI) and makes reference to "a *comprehensive strategy to transform the college into a thriving, future oriented university that is agile, innovative and cost effective...*" In this regard, the report cites the appointment of its new President in 2018 and the "*multi-phased approach that will transform the college,*" with an emphasis on financial stability.

At this point, subsection 1.A identifies the four categories (subsections 1.B through 1.E) the College believes will move the institution toward its financial and other goals, as articulated below.

- *Budget and cost-saving measures were implemented and completed in the fall of 2018— these cuts resulted in a savings of about \$1.6 million.*
- *Key investments are being made to help prepare for growth. Faculty, staff, and administration have received professional development education and training; new technology has been deployed; personnel have been hired; and new processes and systems are being implemented.*
- *Additional revenue growth-related initiatives are also underway. A new marketing program has been launched, new partnerships and student pipelines are being established, and promising new academic programs are being developed.*
- *Pursuit of external funding sources has also commenced. To date, the college has requested and received more than \$600,000 in grants and the president is devoting a larger part of his time to fundraising.*

"Section 2: Updating the College's Faculty Credentialing Policy," is presented in two subsections, the first describing the College's actions in creating "*a more thorough faculty qualification policy,*" noting in particular the work of the Credentialing Task Force in reviewing and revising its former policy. According to the interim report, the new *Faculty Credentialing Policies & Procedures Guidebook* received approval during the Fall 2019 semester, with implementation taking place in Spring 2020. As part of this process, the College conducted an audit of its 150 instructors, the result of which showed that the full complement of faculty members were "*compliant with the college's credentialing policies and HLC requirements.*" The institution's policy is shown below.

(St. Augustine College does not currently offer any master's or doctoral degree programs nor does St. Augustine College participate in any dual credit programs.)

- *Faculty holding a doctoral degree or a master's degree are eligible to teach courses in the baccalaureate and associate degree programs in their field of study or in a discipline in which they have completed at least 18 graduate credit hours*
- *Faculty holding a baccalaureate degree are eligible to teach courses in their field of study in an associate degree program.*

- *Faculty holding an associate degree are eligible to teach associate degree level courses that directly relate to their professional experience.*
- *Faculty holding a master's degree or higher are eligible to teach general education courses in their discipline or subfield.*

Faculty requesting permission to teach a course, at any level, that appears to be outside of their field of study must demonstrate appropriate professional experience and/or verifiable specialized credentials (see Standards for Tested Experience).

REPORT ANALYSIS: Materials contained in the St. Augustine College interim report indicate that the institution has taken steps to address concerns pertaining to the College's finances and its policy on faculty credentials

With regard to the first of these issues, the report provides a useful breakdown of actions undertaken or planned by the institution in areas such as "Cost Saving Initiatives and "Strategic Planning and Foundational Investments." Among the noteworthy items cited in the area of cost savings are the institution's decision to freeze the College's contribution to employees' retirement plans and amending the percentage of its contribution to health insurance plans from 70% to 60%. While decisions such as these can be difficult to make, it's apparent that the College is taking steps to manage its available resources with care.

In another salutary move, the president involved the College's faculty in the decision making process designed to streamline the institution's course offerings; this resulted in the elimination of 200 course sections and raised the average class size to eight students. According to the report, the impact of the initiatives identified in the category of "Cost Saving Initiatives" has reduced budgeted expenses by more than \$1.6 million annually "*while not negatively impacting the quality of teaching delivered to the students (or their experience) or the rate of employee attrition at the College.*"

In the category of "Strategic Planning and Foundational Investment" the report makes specific reference to planned investments "*in key areas of infrastructure and planning.*" Among the items named in this subsection is the transition to a zero-based budgeting system for its annual master budget planning process and enacting a cost analysis for all the College's "*programs, locations, and functions.*" The move to zero-based budgeting should have some immediate effects on expenditures, enabling the institution to identify specific costs annually rather than simply adding incrementally to earlier budgets. This may also help resolve concerns pertaining to budget shortfalls noted in the 2018 HLC Team Report.

Here the report notes other initiatives as well, citing the multiple planning processes being undertaken. While it's difficult to determine from the information provided in the report exactly how this planning will affect the institution's operations and its financial

circumstances, it is apparent from the evidence that the College has approached its financial challenges seriously and with due consideration.

In three related initiatives, the College has chosen to reduce its discount rate, pursue unpaid student accounts more persistently, and provides current students the option of applying for federal student loans. While these seem prudent measures, the report notes that the discount rate reduction (from about 34% in AY2018-2019 to 20% in AY2019-2020) **has had a negative impact on enrollment** (“a corresponding decrease in net new students”) though the effect on net tuition revenue is not clear from the figures provided in the report. The enrollment decline is concerning, given the following statement in the 2018 HLC Team Report: “*The institution demonstrates a balanced budget across recent years. However, the assumptions of the budget are based on constant or “flat” enrollments. This has created an ongoing shortfall.*” It should be noted that the Team Report also acknowledged the institution’s efforts at creating more effective budgeting and financial management procedures.

The College has drafted a workable faculty credentialing policy that is, generally, consistent with Higher Learning Commission guidelines as stated in Assumed Practice B.2. The policy is shown in the Report Summary section above. Review of documentation provided in the appendices confirms also that the College has established a clear set of standards for faculty members who qualify as instructors through “Tested Experience.” These standards are set forth in precise language. Similarly, the “Faculty Credentialing Procedures” included in the policy are well defined, with credentialing review steps enumerated clearly. The appendices also contain a list of full and part-time faculty members and the standard by which they qualify to teach at the College.

Analysis Concluding Statement: St. Augustine University has complied in all particulars with the interim report requirements derived from the 2018 HLC Team Report and articulated in the August 2018 HLC Action Letter. The evidence indicates that the institution is engaged in a series of related and comprehensive initiatives designed to stabilize its finances and secure its future.

However, the institution continues to face financial challenges, as the report acknowledges. While the initial results of changes described in the report have been positive (e.g. \$1.6 million dollar cost savings), most of these initiatives are in early stages of implementation on in the planning phase. Consequently, the Higher Learning Commission will require submission of an additional interim report on enrollment and finances—the report to be submitted by October 1, 2021. The specifics of the report are outlined in the Staff Action section below.

STAFF FINDING:

Note the relevant Criterion, Core Component(s) or Assumed Practice(s): Core Component 5.A pertaining to finances.

Statements of Analysis (check one below)

- Evidence demonstrates adequate progress in the area of focus.
- Evidence demonstrates that further organizational attention is required in the area of focus.
- Evidence demonstrates that further organizational attention and HLC follow-up are required.
- Evidence is insufficient and a HLC focused visit is warranted.

Note the relevant Criterion, Core Component(s) or Assumed Practice(s): Assumed Practice B.2 pertaining to faculty credentials.

Statements of Analysis (check one below)

- Evidence demonstrates adequate progress in the area of focus.
- Evidence demonstrates that further organizational attention is required in the area of focus.
- Evidence demonstrates that further organizational attention and HLC follow-up are required.
- Evidence is insufficient and a HLC focused visit is warranted.

STAFF ACTION: Receive the report on low composite scores and faculty qualifications policy

An interim report is due 12/31/2020 on 1) an assessment plan that engages entire community and has course level, program level and co-curricular goals that are tied to institutional goals, 2) evidence of institutional completion goals, 3) evidence that data from programs and unit operations are inform the budget prioritization process, and, 4) an update on the implementation of the new strategic plan.

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