

ASSURANCE SECTION

REPORT OF A COMPREHENSIVE EVALUATION VISIT

TO

Ohio Wesleyan University
Delaware, Ohio

March 23-25, 2009

FOR

The Higher Learning Commission

A Commission of the North Central Association of Colleges and Schools

EVALUATION TEAM

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I. CONTEXT AND NATURE OF VISIT

A. Purpose of Visit

The purpose of the visit was to conduct a Comprehensive Evaluation for continued accreditation with the Higher Learning Commission of the North Central Association.

B. Organizational Context

Ohio Wesleyan University (OWU) is a not-for-profit, independent postsecondary educational institution incorporated under Ohio law and governed by its own Board of Trustees. It was founded in Delaware, Ohio by the Methodists in 1842 as a male college with a liberal arts curriculum designed “to challenge its students to succeed and serve.” In 1853, the Ohio Wesleyan Female College was established near the men’s college. The men’s and women’s colleges were united in 1877.

In 1913, OWU was first accredited by the North Central Association of Colleges and Schools. OWU students and graduates are known as “Bishops” since, in its formative years, the University produced more bishops for Methodism than any other university in the nation. In the early 1900’s the university was called the “West Point of Missions,” a result of the number of graduates who served abroad as missionaries. In the 1960’s OWU was recognized for the number of alumni who served as Peace Corps volunteers, more per capita than any other U.S. college or university. In 1993, OWU was the only liberal arts institution to participate in the national Summer of Service, a prototype for AmeriCorps. In 2003, OWU became one of 90 colleges and universities to receive \$2.0 million through the Lilly Grant for Theological Exploration of Vocation. OWU is recognized among the top mainline Protestant-related universities rated for faculty, staff, alumni, and students per capita involved in ministry and mission. OWU maintains an active affiliation with the United Methodist Church, which may appoint up to eight of the 43 members of the Board of Trustees through its East and West Ohio Conferences. The University was featured in the 2008-09 edition of *Colleges of Distinction* and was also honored by being placed on the President’s Higher Education Community Service Honor Roll “with distinction” for its 2008 community service participation.

OWU employs 138 full-time faculty, of whom 37 percent are female and 98 percent hold a Ph.D. or highest degree attainable in their field. OWU employs 44 part-time faculty. The University confers the Bachelor of Arts, Bachelor of Fine Arts, and Bachelor of Music degrees. It offers combined-degree (3-2) programs in engineering, interdisciplinary and applied science, optometry, and physical therapy. Degrees are offered through 22 academic departments and 10 interdisciplinary programs. OWU’s academic programs feature the Arneson Institute for Practical Politics and Public Affairs; the Woltemade Center for Economics, Business, and Entrepreneurship; the Sagan National Colloquium; a four-year Honors Program; and opportunities for independent research, internships, and off-campus study.

Three presidents and one interim president have led OWU since the last NCA visit in 1999.

The current President took office on July 1, 2008. Since then, three of the five senior-level administrators are new to their current positions. All three officers are new to OWU with one new to the higher education industry. The interim president has returned to the provost position full-time.

In addition to being accredited by the Higher Learning Commission of the North Central Association, OWU has programs that are accredited by discipline-specific organizations. The Department of Music has been accredited by the National Association of Schools of Music since 1940. The most recent NASM accreditation visit was in 2001. The Department of Education is accredited by the Ohio Department of Education. In 2005-06 the department applied for and later received accreditation from the National Council for Accreditation of Teacher Education (NCATE). The Department of Physical Education is preparing to apply for NCATE accreditation for its programs. NCATE accreditation is also being applied for in specific programs: Social Studies Education, Science Education, Math Education and Foreign Language Education. OWU's chemistry and biochemistry programs are certified by the American Chemical Society (ACS) with the most recent review in 2006.

C. Unique Aspects of Visit

The visit had no additional aspects beyond the Comprehensive Visit for continued accreditation.

D. Sites or Branch Campuses Visited

Ohio Wesleyan University has one campus with no sites of branch campuses.

E. Distance Education Reviewed

Ohio Wesleyan University is not delivering courses through distance education.

F. Interactions with Constituencies

The Team interviewed the following persons and groups (listed alphabetically):

1. Academic Department Chairs
2. Academic Policy Committee
3. Academic Resource Center Staff
4. Alumni (open meeting)
5. Art and Science Review Task Force
6. Assessment Committee
7. Associate Dean of Academic Affairs for Assessment and Accreditation, Self-Study Coordinator

8. Associate Dean of Academic Affairs for Institutional Research
9. Associate Dean of Academic Affairs for Off-Campus Programs
10. Associate Vice President for Admission
11. Associate Vice President for Financial Aid
12. Athletic Director
13. Board of Trustees
14. Chaplain
15. Chief Information Officer and Director of Libraries
16. Controller
17. Coordinator of Counseling, Career, and Health Services
18. Dean of Academic Affairs
19. Dean of First Year Students
20. Director of Alumni Relations
21. Director of Annual Giving
22. Director of Development Services
23. Director of Foundation, Corporate and Governmental Relations
24. Director of International Students Services
25. Director of Major Gifts
26. Director of Minority Student Affairs
27. Director of Physical Plant
28. Director of Planned Giving
29. Director of Public Safety
30. Director of Residential Life
31. Director of Student Involvement
32. Interim Director of University Communications
33. Executive Committee of the Faculty
34. Faculty (open meeting)
35. Faculty Personnel Committee
36. Libraries and Information Services Staff
37. Local Community Members (open meeting)
38. President
39. President's Commission on Racial and Cultural Diversity
40. Provost
41. Staff (open meeting)
42. Senior Woman Administrator in Athletics
43. Students (open meeting)
44. Teaching, Learning, and Cross-Cultural Programming Committee
45. University Governance Committee
46. Vice President for Finance and Administration
47. Vice President for Student Affairs
48. Vice President for University Enrollment and Strategic Communications
49. Vice President for University Relations

50. Wesleyan Council on Student Affairs

G. Principal Documents, Materials, and Web Pages Reviewed

The Team reviewed the following items (listed alphabetically):

1. 2008-09 Annual Fund Summary Update - March 19, 2009
2. Art and Science Group Executive Summary of Research Findings
3. Art and Science Review Task Force Report
4. Assessment Committee's Annual Assessment Report Memo, April 27, 2007
5. Assessment Committee's Department/Program Assessment Report Summaries
6. Audited Financial Reports, Fiscal Years 2006 - 2008
7. Budget Reports, Fiscal Year 2004-2009
8. Campus Care Letters
9. Campus Master Plan
10. Catalogue 2008-09
11. Code of Student Conduct, 2008-09
12. Committee on Teaching, Learning, and Cross-Cultural Programming Annual Report
13. Committee on Teaching, Learning, and Cross-Cultural Programming Minutes
14. Comprehensive Financial Index Ratios, Fiscal Years 2004 - 2008
15. Dehne Study, August 26, 2003
16. Faculty Handbook, September 2000
17. Faculty Personnel Committee Documents
18. Faculty Staffing Studies
19. Five-Year Plan for Improving Student Success and Satisfaction
20. Formal Agreements - Five Colleges of Ohio and the GL
21. Handbook for Hourly Employees
22. HLC Communication, Current Statement of Affiliation Status and Organizational Profile
23. HLC Communication, December 18, 2001
24. HLC Communication, March 8, 2005
25. HLC Communication, November 19, 1999
26. HLC Communication, Staff Analysis of Institutional Progress Report, December 18, 2001
27. HLC Communication, Staff Analysis of Institutional Progress Report, March 8, 2005
28. HLC Communication, Third Party Comments, March 16, 2009
29. HLC, Financial Data Worksheet for Private Non-profit Institutions, Fiscal Years 2002 - 2008
30. HLC, Progress Report 2001
31. HLC, Progress Report 2004

32. HLC, Report of a Comprehensive Evaluation Visit, March 29 - 31, 1999
33. Institutional Record of Student Complaints
34. Institutional Self Study Report
35. Institutional Self-Study Report Update, fall 2008
36. Maguire Associates
37. Maloney & Novotny, Communication to Management and Audit Committee, December 5, 2008
38. Marketing Brochures
39. Meek Aquatics and Recreation Center Plan, January 24, 2009
40. National Colloquium Brochures
41. NCAA Self study and Institutional Data Forms
42. Noel-Levitz Study-Retention
43. NSSE 2007
44. Ologie Marketing and Communications Program
45. OWU Communication to HLC, August 4, 1999
46. OWU Magazine
47. OWU Organization Chart
48. OWU Organization Chart for Division of Student Affairs
49. OWU, Annual Endowment Report, July 1, 2007 - June 30, 2008
50. OWU, Board of Trustees Mission Statement
51. OWU, Code of Regulations
52. OWU, Debt Policy
53. OWU, Disclosure of Business Affiliations and Possible Conflicts of Interest, 2008 – 2009
54. OWU, Gift Acceptance Policies and Guidelines & Campaign Counting Guidelines
55. OWU, Minutes of the Board of Trustees Academic Affairs Committee
56. OWU, Minutes of the Board of Trustees Facilities Committee
57. OWU, Minutes of the Board of Trustees Finance Committee
58. OWU, Minutes of the Board of Trustees Investment Subcommittee of the Endowments Committee
59. OWU, Minutes of the Board of Trustees Marketing Committee
60. OWU, Minutes of the Board of Trustees Meetings (2003-2009)
61. OWU, Minutes of the Board of Trustees Religious Life Committee
62. OWU, Minutes of the Board of Trustees Student Affairs Committee
63. OWU, Minutes of the Board of Trustees University Relations Committee
64. OWU, Minutes of the Insurance Subcommittee of the Finance Committee
65. OWU, President's Memorandum Establishing Study Group
66. OWU, Statement of Investment Policies and Objectives, Revised April 2005
67. Public Safety Report/Crime Statistics
68. Recommendations for a New OWU Curricular Plan, March 2009
69. Record of Student Complaints

70. Retention Studies & Statistics
71. Statistics on Faculty Teaching Load, Spring 2009
72. Strategic Planning
73. Strategic Vision Draft
74. Student Handbook
75. Student Success and Satisfaction Survey
76. Studies Performed by Institutional Research
77. Third Party Announcements and Comments
78. University Charter
79. www.owu.edu

II. COMMITMENT TO PEER REVIEW

A. Comprehensiveness of the Self-Study Process

The Self-Study Report indicated that planning for the self-study process began in October 2006, about 29-months before the Team visit. A steering committee was commissioned by the president and administered through the chief academic officer to oversee the self-study process. The roster of membership indicated that the steering committee was composed of a broad range of OWU community members, from faculty, staff, trustees, alumni, and student bodies. The steering committee reviewed the HLC criteria for accreditation and initiated an administrative structure and strategy to be followed. The steering committee met throughout 2007 and 2008, monitoring agendas and identifying institutional strengths and weaknesses. The Self-Study Report was developed using face-to-face meetings and communicating electronically through email and Blackboard. A key variable was to develop ways to encourage the entire community to review the Self-Study Report and provide feedback to the Committee.

The Self-Study Report and an Executive Summary were available from August 25, 2008 to October 19, 2008 for all OWU employees, students, trustees, and the Alumni Board to review and ensure accurate reflection in all areas. Four open meetings were held by the Self-Study Coordinator in September 2008 for staff, faculty, and students. The Team agrees that the self-study process was inclusive of personnel in the preparation of the document.

B. Integrity of the Self-Study Report

The Self-Study Report was clear, thorough, and forthright. The criteria were presented as holistic as well as integrated by overlapping evidence for the core components. The report objectively identified OWU's strengths and challenges. The appendices and the resource room were complete and supported the conclusions of the report. The Self-Study Report was well organized and useful to the Team in preparing for this complex comprehensive visit and assisted the Team in its consultative role.

C. Adequacy of Progress in Addressing Previously Identified Challenges

Since the 1999 comprehensive evaluation visit, OWU has provided HLC with two progress reports. The progress reports were due December 1, 2001 and December 1, 2004. Both progress reports were to address areas in need of monitoring that included: tuition discount rate; operating revenues and expenses; enrollment for first-time freshman; and student body retention. The Team's report indicated that the reasoning for the progress reports was "to provide information to the commission regarding the extent to which the university has been successful in achieving its enrollment and financial goals."

OWU filed both progress reports on time. The conclusions made from the reports were that OWU had provided sufficient evidence that the institution had addressed the issues identified by the Evaluation Team. In fact, the 2004 HLC report commented that the "Board of Trustees and administration are addressing the issues that have produced the budgetary shortfalls." The HLC staff acted to accept the reports. No further reports would be required. OWU's next comprehensive evaluation would remain scheduled for 2008-2009.

D. Notification of Evaluation Visit and Solicitation of Third-Party Comment

Requirements were fulfilled.

III. COMPLIANCE WITH FEDERAL REQUIREMENTS

The HLC Team reviewed documentation related to adherence to federal and state laws as well as regulations required for Department of Education and the Higher Education Reauthorization Act (Title IV). OWU's fiscal year 2006 financial aid cohort default equaled 1.6 percent and compared favorably to the fiscal 2006 national rate of 5.2 percent and Ohio's default rate of 4.4 percent. There is compliance with the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act or Clery Act, and fulfillment of the National Collegiate Athletic Association (NCAA) Title IX regulations. Proper disclosures of the Family Educational Rights and Privacy Act (FERPA) are made to faculty and staff. Students are informed of their FERPA rights in the Student Handbook. The student complaint information was also found to be in order. A summary record for academic and student life complaints is kept in a common binder with the actual files located in the offices of the Provost and Vice President for Student Affairs to ensure confidentiality.

IV. FULFILLMENT OF THE CRITERIA

CRITERION ONE: MISSION AND INTEGRITY. The organization operates with integrity to ensure the fulfillment of its mission through structures and processes that involve the board, administration, faculty, staff, and students.

1. Evidence that Core Components are met.

- a. Meetings with OWU's faculty, staff, and students, discussing matters with members of the Board of Trustees, reviewing Board of Trustees minutes, examining printed materials, navigating the website, and interviews with outside constituents indicated that the mission of the University is clearly articulated. The mission statement is referred to as the Statement of Aims, and "its charter broadly portrays that the University is forever to be conducted on the most liberal principles, accessible to all religious denominations and designed for the benefit of our citizens in general." It offers a sound and persuasive foundation for OWU's purposes as a liberal arts institution. (Core Component 1a)
- b. The Statement of Aims provides three general objectives for learning and development by incorporating three broad outcomes: 1) to impart knowledge, 2) to develop and enhance certain important capabilities of students, and 3) to place education in the context of values. At the end of this multi-paragraph statement of aims is the summary statement that is described as the mission statement, "To the extent that Ohio Wesleyan educates liberally, it fulfills its ultimate purpose of equipping students with knowledge, competence and character for leadership, service and continued learning in a complex and increasingly global society." In 2005, the mission statement was summarized for easier communication into the three Rs: "Rigor, Relationships, and Real-world experiences." It is this latter mission statement and the three Rs that frequently are referenced throughout the campus, in campus materials, and in University planning documents. The emphasis on academic rigor and connection of classroom learning with the broader environment reflect a commitment to high academic standards. The overall Statement of Aims contains the broad learning outcomes incorporated into OWU's general education curriculum. (Core Components 1a and 1b; also see Criterion 3, Section 1-f)
- c. In the Fall 2008, the Strategic Planning Group from 2006-07 was reconvened along with additional members of the community to join the workgroup. The purpose was to revisit and finalize the unfinished work that had ended in 2007. It was further stated "that a differentiating and compelling vision for the University can be agreed upon and be used as a basis for prioritization of institutional goals, resource allocation, and more effective fund raising." The development of the strategic plan will include articulation of a strategic vision, key initiatives, objectives that will fulfill the initiatives identified, and a comprehensive financial plan to acquire the resources necessary to implement the plan and fulfill the vision. The strategic planning and visioning process has been extremely inclusive. A draft of the strategic vision was circulated in the Winter 2009 and "intended to stimulate discussion about the future" with constituencies. (Core Component 1a)
- d. There is evidence OWU has made a significant commitment to racial, ethnic, and cultural diversity in multiple ways. The student body represents a diverse population. For example, the international student presence is among the top in the nation for similar schools, representing 9 percent of the total student population and 50 countries. During the past ten years the multicultural and international student population has been 19 percent + or - 3 percent. OWU is ranked in the 95th percentile on the National Survey of Student Engagement (NSSE) in student

interactions with peers of different race or ethnicity, religious or political beliefs. Through various interviews OWU students, faculty, and staff affirmed the diversity of the campus as an institutional strength. The Team observed that students are served by offices of International Students Services; Multicultural Student Affairs; the Gay, Lesbian, Bisexual, Transgender (GLBT) Resource Center; and PRIDE (People Regarding Individual Diversity Everywhere). The offices also challenge and assist all members of the OWU community to think about diversity in global ways. Of the full-time faculty, 11.0 percent are multicultural or international. The Team noted that ethnicity information for staff and administration was not available. (Core Component 1b)

- e. In 2005, the Presidential Commission on Diversity was created in response to a campus incident and now hosts a number of important events and awards. In 2007, the Offices of the Chaplain, Multicultural Student Affairs, and International Student Services collaborated to form a new group for enhancing the understanding of diversity: OWU LAB (Leaders Across Boundaries). The Team found that OWU LAB is a cross-cultural leadership training program that provides learning experiences that lead to greater understanding of diversity for students. It is administered jointly by the three University units that founded it. The goal of this program is to break down the boundaries created by nationality, socio-economic status, faith traditions, sexual orientations, race, and ethnicity that exist within the student body through the training of a core group of cross-cultural student leaders. A pilot program was conducted Spring 2008 and program plans continued for the 2008-09 academic year.

In addition, groups interviewed, particularly representatives from Wesleyan Council on Student Affairs (WSCA) and the open forum for students, spoke eloquently and often about the extent and commitment to diversity at OWU. The Sagan Academic Resource Center was noted for its support of students with special academic needs. Students emphasized the value diversity plays in exposing them to cultures, ideas, and perspectives they otherwise may not encounter. Ethnic, geographical, socio-economic, and cultural diversity were cited as a very positive component of student life. (Core Component 1b; also see Criterion 3, Section 1-g)

- f. The Team learned through campus interviews that all constituencies offer broad support for OWU's mission. Areas of focus within the emerging strategic plan and strategic vision directly relate to the Statement of Aims such as the emphasis on engaging students in real-world experiences and on a global perspective. A review of the Vice Presidential sector goals also proved to be mission-related. The President and University Relations staff have also raised significant funding for student and program support as articulated in the mission with a campaign to address several elements of the mission in the planning stage. (Core Component 1c)
- g. The Board of Trustees is appropriately involved in its oversight of OWU. In the Team's meeting with Board members, the Board Chair commented that the Board understands its role of policymaking and does not micromanage. When issues arose during the last presidential transition, the Board created a University Review Committee that included sub-committees on data and institutional agenda (Maguire

and Associates aided this study), governance of the institution and clarification of roles and responsibilities of trustees and relationships with the faculty (facilitated by Academic Search), presidential search (search process assisted by Academic Search), and organization of the trustees and how its structure can effectively support the mission and strategic vision and planning. Some examples of the effectiveness of these actions were the widely inclusive presidential selection process that generated unanimous support from all constituencies for the hiring of the current president. The academic year 2007-08 was the first time the Board reviewed and approved faculty promotion and tenure decisions, an outcome of the Review Committee's action. Finally, prior to the incumbent president taking office, the Board supported the president-elect's proposal to engage the services of the Art & Science Group to help identify OWU's strengths, and to look at existing programs and distinguishing attributes to assist with a marketing study of inquiring, admitted, and enrolled students. The results of this study are being blended into the strategic vision and strategic plan and will help guide how "existing programs could be enhanced and presented to engage and attract quality students." (Core Components 1c and 1d, also see Criterion 4, Section 1-d)

- h. To refresh ways to fulfill its mission, OWU has placed concerted efforts in developing a new strategic vision and completing the strategic planning process that was started in 2006 and slowed in 2007 by the president's resignation. During the academic year 2007-08, the interim president led the way for development of a Master Facilities Plan aided by The Collaborative, Inc. The objectives keenly reflect how the University will achieve its mission "with initiatives that strengthen the academic program, enhance student growth and development, increase enrollment of the most able students, develop campus facilities, and build a resource base to secure OWU's place of leadership for the future." The study prepared by the Art & Science Group indicates how OWU could remain mission-centered and enhance academic programs while becoming market-smart. Further, the documentation supported policies and actions taken that provide programs to support the mission, serve the community, and look to ways that ensure financial sustainability. Their theme promotes a mission of discovering, sharing, and applying knowledge. The documentation also disclosed parties of equal importance, but were identified separately, such as: alumni, the community, corporations, the Board, advisory boards, accrediting bodies, faculty, and staff. (Core Component 1c; also see Criterion 4, Section 1-b)
- i. Documentation and interview with several members of the Board provided evidence that the Board is passionate about OWU and its mission. The Trustees demonstrate their support for OWU through giving their time, energy, and resources. At the time of the visit the Board was composed of forty-three elected or appointed members and twenty-four emeritus or life trustees with exceptional experience and expertise. The Board understands their fiduciary responsibilities and is committed to transparency for academic and financial matters. Board members described a variety of ways that they stay informed about OWU and higher education. (Core Components 1d and 1e)

- j. The governance of the Board is provided by the *Ohio Wesleyan University Code of Regulations*. The responsibilities of the Board of Trustees are those found traditionally the responsibilities of a university board of trustees and include, but are not limited to, the following: “to hold and manage all the property, endowments, and funds of the University; to elect a President of the University, who shall act as the Executive Officer of the Board of Trustees; to grant degrees to those who meet the requirements of the University; to promote the general interests of the University; to establish policies generally to govern the operation and management of the University; and to review the courses of instruction and the appointments, changes in rank, and compensation of all members of the University Faculty and Staff.” The annual meeting of the Board of Trustees is held in the Spring of each year along with meetings held in January and October to review regular updates of University activities and Board committee updates and recommendations which, ultimately, serve as the final authority regarding University decisions and directives. The Executive Committee of the Board meets between each full-Board meeting. During the Summer, the Executive Committee of the Board participates in an annual retreat.

A key to campus governance and accountability is the Board’s structure of standing committees. The *Code of Regulations* indicated that the Board conduct its business through the establishment of eleven standing committees and, if needed, by way of sub-committees to oversee specific aspects of OWU’s operations and to ensure adherence to the University mission. The duties of the President were found to be those traditionally the responsibility of a university president. The Team noted that the Board is in the process of developing ways to assess itself and its membership. As well, the Board has articulated clear expectations for the president to have a process in place for an annual performance review. (Core Components 1c and 1e)

- k. The Self-Study Report commented that governance of the academic mission is part of the faculty governance process. Interviews with the Provost, faculty, and academic leaders along with a review of documents confirmed that the faculty and academic leaders share the responsibility for the integrity of the curriculum and its adherence to the University’s mission through the Academic Policy Committee (APC). The APC consists of nine faculty, three academic administrators, and three students. The governance structure explicitly gives faculty a strong voice in all curricular and academic decisions. It oversees the curriculum which includes the Honors Program and Sagan National Colloquium and recommends changes in the curriculum to the faculty. The APC also recommends the allocation of available full-time faculty lines for departments and programs that have applied to the administration. APC has taken on a new responsibility to biennially recommend to the administration high priority needs for endowed chairs. (Core Component 1d; also see Criterion 4, Section 1-a)
- l. WCSA plays an active and vital role in the shared governance culture OWU embraces. It is an elected body consisting thirty-two students, three non-voting faculty members, and two non-voting administrators. Leaders from this group discussed their appreciation of close access to all of OWU’s senior leadership team, especially the Council’s President. Positive remarks were also made about the recent restructuring of the Office of Student Affairs including its leadership position

elevated to a Vice Presidential level. Consistent with OWU's mission, WCSA has participated in key searches for senior administration positions, had input on major policy discussions and decision making processes, and appreciates the freedom and authority in allocating student activity fees for student oriented projects and initiatives. The importance of OWU's campus governance is shown as conversations with the administrators have helped the administration understand the concerns and needs of the student body. Likewise, student leaders are educated on the competing demands for resources and that budget allocation decisions may differ from student expectations. (Core Component 1d)

- m. OWU has both hierarchical and consultative characteristics for its system of governance. The form of hierarchy is seen in the course of interactions between students and faculty. More specifically, the Team learned through various interviews that OWU demonstrates a strong conviction for shared governance. It was noted that committee structures generally consist of members of the faculty, staff, students, and administration. Other comments received suggested there is improved accountability and communication. The strategic planning and strategic visioning processes illustrate constituencies' involvement, as do other committees that offer broad involvement in OWU's decision-making. (Core Component 1d)
- n. Constituencies interviewed by the Team spoke positively about overall communication on the campus. Community members cited a number of ways OWU keeps them informed of its activities and plans as did the internal constituencies. Staff members discussed communication strategies that work best, such as direct communication from their supervisors and campus-wide gatherings where the same messages are given to all members of the community at the same time. They acknowledged that no single method works for every person and there always will be the desire for more communication. (Core Component 1d)
- o. The Board exercises its responsibility through its Code of Regulations to see that OWU operates legally and responsibly. Examples of critical policies in place that illustrate this include Disclosure of Business Affiliations and Possible Conflicts of Interest, Statement on Investment Policies and Objectives, Debt Policy, and Gift Acceptance Policies and Guidelines and Campaign Counting Guidelines. Further, the appropriate policies are in place for research involving human subjects and regulated by the Institutional Review Board and research involving animal subjects regulated by the Institution Animal Care and Use Committee. Athletics follows the regulations of Division III of the National Collegiate Athletic Association and the North Coast Athletic Conference. A review of federally mandated areas appeared to be in good order (see Section III Compliance with Federal Requirements). The Team found no evidence to indicate that OWU does not understand and abide by all laws and regulations to which it is subject. (Core Component 1e)
- p. OWU's Athletics department meets the NCAA's basic requirements for gender equity, although the percentage of athletes who are men is higher than women, despite the fact that more women are enrolled at OWU. Fall 2008, the student body composition was 53.3 female and 46.7 percent male. Budgets and staffing are comparable according to their NCAA self study institutional data forms, although

the results tend to be higher for men's teams. Some of this is due to the longevity of male coaches and that a number of the women's coaches left OWU after relatively short periods. It was noted that a proposal is to be submitted Spring 2009 to add women's golf to improve proportionality, the ratio of athletic participation to overall representation in the student body.

In addition, OWU self-reported a level-2 violation to the NCAA when they learned an ineligible student athlete participated in a contest when he was academically prohibited. OWU forfeited the win and the NCAA accepted the University's response to the matter. No further action was sanctioned by the NCAA. (Core Component 1e)

- q. A review of the Code of Student Conduct 2008-09 contained the proper academic policies, community standards and policies, and residential life policies, as well as the purpose, principles, and organization of the University's judicial system. The Student Handbook 2008-2009 is published by the Office of the Dean of Students and is the University's official notification of its policies, rules, regulations, and standards of conduct. The student is responsible for knowledge of these policies, rules, regulations, and standards of conduct; enrollment is considered as acceptance of all conditions specified in this handbook. The *Catalog 2008-09* noted that OWU has policies on admissions, placement testing, academic standards, transfer of credit, registration, and residency. The policies on enrollment services are clear and readily available to prospective students. OWU maintains proven policies and procedures to address student complaints, grievances, and appeals. The Team noted OWU has an exemplary process for logging complaints and ensuring these complaints are addressed. (Core Component 1e; also see Criterion 4, Section 1-h)
- r. In addition, the Self-Study Report indicated and the Team confirmed that the *Hourly Handbook* and *Faculty Handbook* serve as a source for OWU to govern its employee relations with faculty and staff. The Handbooks demonstrates the institution's commitment to a positive work environment through appropriate personnel policies and procedures. Further, faculty governance is described in detail in the *Faculty Handbook*. The faculty acts as a committee of the whole that meets monthly with the Provost presiding. Faculty members are elected to nine non-overlap committees (including serving as non-voting members of Wesleyan Council on Student Affairs) and to eight overlap committees. Most faculty committees have student members as well as representatives from the administration, which provides further evidence of shared governance. (Core Component 1e; also see Criterion 4, Section 1-h)

2. Evidence that one or more specified Core Components need organizational attention.

- a. While there is much evidence of a commitment to many kinds of diversity on campus, the Team did not find indication of a plan for making the campus more accessible for those with disabilities. One area cited by various groups where OWU could improve its access to all is being more aware and responsive to the needs of those with physical disabilities. The Team recommends that a multi-year facility plan

to increase accessibility be developed that addresses those aspects of accessibility that are feasible given the age of the facilities and the terrain of the campus. (Core Component 1b; also see Criterion 5, Section 2-b)

- b. OWU recently evaluated its policies and procedures in a number of areas using external consultants and internal task forces. Examples of areas reviewed include human resources, technology, Greek Life, and the curriculum. Each assessment disclosed strengths as well as challenges for OWU to address to best meet needs and interests of constituencies. The Team's concern is for OWU's ability to act upon the assessments and advice received in a planned and timely manner given the number of initiatives currently in progress. (Core Component 1d)
- c. The purpose and effectiveness of two aspects of the OWU governance structure were questioned by several different individuals or groups with whom the Team spoke. The governance structures are the Trustee-Faculty Liaison Committee and the University Governance Committee. The Trustee-Faculty Liaison Committee was created to offer faculty a direct line of meaningful communication with trustees. A number of trustees expressed concern that the President is excluded from these conversations and that issues brought forward might not represent broad faculty sentiment but rather individual interests. They also questioned whether this structure fostered the kind of open communication that is needed within the institution. The other structure that the Team found unusual is the University Governance Committee. The Team found no indication that this Committee was a negative force on the campus; rather, its purpose is unclear. The Team recommends that both the Trustee-Faculty Liaison Committee and University Governance Committee be reviewed to determine if they offer the best ways to accomplish their stated purposes. The review should also include consideration of the potential negative consequences that might emanate from such structures.

In addition, the Team found instances where there were discrepancies in how scholarly contributions are weighted in faculty evaluations. The issue is that practices are not fully aligned with the policy referenced in the Faculty Handbook. (Core Component 1d; also see Criterion 4, Section 4-a)

- d. The policies and procedures dealing with performance evaluation as well as other fundamental personnel functions are not fully developed. The Team heard from staff members that performance evaluations are conducted sporadically, and most staff did not indicate an understanding of the purpose of this activity. They lamented the lack of an institution-wide orientation program for new staff members. Staff members also expressed a desire for increased opportunities for professional growth and professional development programs. An audit conducted of the overall HR function by an external firm supported these observations. The audit also disclosed lack of consistency in the implementation of the policies currently in place. The Team is encouraged the administration plans to restructure the human resources area and believes this is an important step in addressing and resolving these issues. (Core Component 1d; also see Criterion 4, Section 2-b)
- e. The Team is concerned that OWU does not have a separate Handbook for

administrators, although Handbooks exist for the faculty and the hourly staff. The Team concern is the challenge of sorting out applicable personnel policies from the existing handbooks. Further, the Team recommends that OWU review, revise, and implement improved personnel policies where appropriate. This measure includes the development of an administrative staff Handbook that the Team understands is in progress along with clear policies and procedures for each major personnel function. Finally, OWU should monitor the implementation of these policies to ensure that they are consistently implemented. (Core Component 1d)

- f. In reviewing the administrative structure, it was noted that members of the leadership team are well-seasoned professionals. There is considerable talent and expertise in postsecondary education within the leadership team. The communication between members of the administration and between the administration and the Board appeared healthy. However, the Team noted that the current President took office on July 1, 2008, and since then three of the five senior-level administrators are new to their current positions. All three officers are also new to OWU, with the Chief Financial Officer new to the higher education industry. The interim president returned to the Provost position full-time. (Core Components 1d and 1e)
- g. A review of supporting documents and the interview with members of the Board confirmed there needs to be a continuing process for developing supportive practices that will assist it in reaffirming its mission and its function by formulating long-term direction and enacting positive change through identifying issues that will affect tomorrow's decision making. The Team's concern is that while reviewing the 10-year period, the documentation indicated times when the Board had not always been bold in its actions and/or was passive, compromising the quality of its decision making. Some examples include:
- The Board's reluctance to curb spending deficits for six years that according to the Self-Study Report was approximately \$6.5 plus million between fiscal years 2000 through 2005, and passed up sound stewardship and accountability practices by using the quasi-endowment to balance annual operating budgets rather than reinvestment in plant maintenance projects or special initiatives as intended.
 - The lack of attention to making needed repairs/renovations to residence halls after hearing complaints from the student body and as reflected in many of the meeting minutes of the Facilities and Student Affairs Committees of the Board of Trustees and the assembling of internal committees to review the ongoing concerns of the residence halls. Despite numerous complaints about the condition student residence halls, major projects between 1999 and 2008 totaled nearly \$65 million, of which \$3.2 million or 5 percent was used for residence hall projects.
 - The auditor's review of the fiscal year 2005 rated "the overall financial position of Ohio Wesleyan as a C." They graded the University's finances at a "C+." Both audit reports received unqualified opinions.

- The Finance Committee minutes of October 6, 2006, indicated the fiscal year 2005 budget results showed the difference between net revenue and expenditures was a \$408K deficit. However, by prior agreement with the Board, the impact of non-cash expense accruals, for faculty voluntary separation program and post retirement benefits, totaling \$414K were removed from the operating budget, leaving a small surplus of \$6K, or a balanced budget. The non-cash expense accruals are obligations that will affect future cash flow and should have been reflected as a current operating budget expense.
- The minutes of the October 6, 2006 Finance Committee also reported that the Committee directed the administration to develop a University debt policy. The Committee adopted the recommended University debt policy at its June 8, 2007 meeting, which included three ratios accompanied by reasonable benchmarks. Since then, OWU has not been in compliance with the debt policy's liquidity ratio. Also, in fiscal year 2008, the viability ratio fell sharply to a level slightly beneath its benchmark. The Committee minutes did not indicate whether the debt policy is routinely reviewed and if noncompliance matters are addressed.

The current Board of Trustees Chairperson took over in Fall 2006. The Team acknowledges that since that time the Board has dealt with a president leaving (Spring 2007), a valued member of OWU's community serving as interim president (academic year 2007-2008), and concluded a successful presidential search (incumbent took office July 1, 2008). During this period, OWU also achieved balanced budgets without drawing upon the quasi-endowment for additional operating support, developed a campus master plan, and hired the Art & Science Group to assist with investigating curricular enhancements, as well as kept focused on priorities during this challenging economic time. Additionally, the Board reconstituted the subcommittee of the University Review Committee as the Strategic Planning Subcommittee and pledged to support the strategic planning process.

The Team further recognizes that the Board engaged a well-experienced higher education consultant to help it better understand its role and responsibilities. While meeting with members of the Board of Trustees, the Team was further encouraged to learn that the Board was seeking ways to effectively evaluate itself and investigating relevant ways to evaluate the President. All of these actions are splendid examples of an actively engaged and supportive Board capable of navigating OWU forward. The recent Board activities more accurately portray a positive direction and future for OWU. The Team believes the Board needs to continue to sufficiently plan short-term supportive actions to ensure OWU's long-term success. (Core Components 1d and 1e)

3. Evidence that one or more specified Core Components require Commission follow-up.

None.

4. Evidence that one or more specified Core Components are not met and require Commission follow-up. (Sanction or adverse action may be warranted.)

None.

Recommendation of the Team:

Criterion is met; no Commission follow-up recommended

CRITERION TWO: PREPARING FOR THE FUTURE. The organization's allocation of resources and its processes for evaluation and planning demonstrate its capacity to fulfill its mission, improve the quality of its education, and respond to future challenges and opportunities.

1. Evidence that Core Components are met.

- a. Ohio Wesleyan University has many of the resources necessary for shaping a bright future. It has a dedicated and talented faculty and staff who express a strong commitment to OWU and its students. It is well respected by alumni and members of the wider community who add tremendous talent and support to the campus community. Much work has occurred in recent years to improve the University's facilities. An extensive tour of the campus and facilities conducted by the Director of Physical Plant was notable for the contrasts on the condition of various facilities. Clearly OWU has successfully upgraded and built new facilities such as the campus center, science building, track, field house and softball field, all of which are beautiful and totally functional. The renovation of the stained glass skylight in Slocum Hall and the re-roofing of the field house with a rubber roof are examples of expensive renovations that have been done right and done well. Equally impressive is the newly completed donor wall which will be dedicated this spring. These new or renovated facilities demonstrate a commitment of significant resources to enhancing campus facilities. (Core Component 2a)
- b. The previous Vice President for Enrollment and Strategic Communication established an approach for admissions and retention based on data and marketing analysis. The new Vice President, who arrived shortly before the Team visit, appears to have the same approach of using data to allocate limited resources to achieve OWU's enrollment goals. A review of the 2006 Ologie study showed development of a branding/marketing initiative focused on the strengths of OWU and creating avenues to promote those strengths in clear, concise, and consistent messages with various constituent groups. Information and perceptions brought together from this effort helped the University "consider who/what OWU is and who/what it is perceived not to be." In conjunction, the staff in University Communications has brought professional expertise in writing, design and media relations by promoting OWU's strengths and benefits, faculty expertise and accomplishments, student initiatives and honors, and notable alumni. (Core Component 2a)
- c. Through various interviews and enrollment documentation, the marketing initiative is credited with the increase of applications from prospective students and in

improving communication within the University. For example, the Self-Study Report pointed out that the enrollment goal for Fall 2008 was met by May 7 compared to May 31 for Fall 2007 and May 15 for Fall 2006. Comments received by the Team indicated the marketing initiative appears to capture OWU's message well, and that it has been well received by internal and external constituencies. The Team agrees that the organization structure of having both marketing and communications reside under the Vice President for Enrollment and Strategic Communication ensures the message conveyed to OWU's various markets will be a unified and coherent one. (Core Component 2a)

- d. Documentation showed the University's leadership team and the Enrollment Committee of the Board reviewed campus enrollment with projections reports along with updates reflecting changes in demographics, enrollment trends, student retention, and other underlying assumptions. Recent data provided by the Self-Study's Dashboard Report indicated that admission applications totaled 2,021 for academic year 1998-99 compared to 3,814 applications for academic year 2007-08 (data for Fall 2009 was not presented). For the same period of time, the entering freshman class headcount has grown from 519 in 1998-99 to 583 in 2007-08. The retention trends from 2007 to 2008 showed freshman to sophomore had increased 5 percent, sophomore to junior remained stable at 84 percent, and junior to senior improved by 1 percent to 94 percent. The enrollment staff described their exploration of newer geo-demographic markets to relieve the pressure of competition with Ohio schools.

The Team noted the proactive step to retain the Art & Science Group to help OWU define its educational program in a distinctive manner. The Art & Science Group's data suggested recommendations for a new curricular plan that would enhance OWU's attractiveness to prospective students. Comments received indicated that the information gained from the study would strengthen the strategic vision and help in guiding the strategic planning process. The study was a collaborative process of working with a steering committee that included both faculty and administrators and functioned as a consultative body for developing particulars and then interpreting the results. (Core Components 2b and 2c; also see Criterion 4, Section 1-b)

- e. Interviewees indicated that to achieve enrollment goals for Fall 2009, OWU will increase its financial aid for those who demonstrate need. This is in response to reflecting that the "theory-into-practice" model would be more attractive to and increase enrollments of lower-income students, while the "international awareness" initiative was more attractive to higher-scoring, higher-income students. Further, reports presented a couple of scenarios for how initiatives might be realized in the OWU curriculum and strengthen its mission of discovering, sharing, and applying knowledge. As well, every effort is being made to reach out to students whose families have been hurt by the economy. For example, during the Winter 2009 semester the President made available to students most in need of additional funds which were raised by 40 donors who contributed \$10,000 each. The Team listened to emotional testimonials of how important the additional aid was in keeping students, including second semester seniors, in school. The financial aid office helped to identify recipients most in need of additional financial assistance. (Core Components

2a and 2c; also see Criterion 3, Section 1-f; and Criterion 4, Section 1-b)

- f. Documentation indicated that OWU has had ups and downs in terms of enrollment and retention during the past ten years. It appears the current staff is well-organized, resources are appropriate, and the data driven approach will significantly enhance OWU's ability to meet enrollment goals. The goals for retention and graduation outlined in the draft of the strategic plan are ambitious, though the evidence suggests the goals are achievable with the enthusiasm surrounding the new President and his team, the emphasis on strategic marketing and planning in the enrollment area, and the campus improvements being planned, especially improvements planned for the residence life area. (Core Component 2b)
- g. Interviews and documentation supported that continuous processes for improvement have been important to OWU. Extensive information has been gathered through a number of strategic consultancies to base the vision in the realities of the external environment as well as around the strengths and weaknesses of OWU since the comprehensive re-accreditation visit in 1999. Some consultants used and studies completed include: Maguire Associates review of the tuition discount rate and the amount of endowment per student; George Dehne Associates survey of constituencies to determine their perception of OWU; The Collaborative, Inc. development of a campus master plan; Noel Levitz review of financial aid, demographic and academic performance of first-year retention; Ologie recommendation of an image and communication strategy; MGT Consultants space utilization audit; Academic Search discussion of roles and responsibilities of trustees, faculty, and staff and to conduct a presidential search; and the Art & Science Group assistance with defining the education program in a distinctive manner. Much of the recent information compiled will serve to strengthen the strategic planning process and emerging strategic vision. (Core Component 2a; also see Criterion 1, Section 1-h and 1-g)
- h. OWU has utilized a number of external reviews to determine and/or evaluate institutional effectiveness in relation to various planning processes. The current strategic visioning process has been inclusive and mission-based. The process builds upon and honors the extensive efforts of the campus community in an earlier strategic planning effort that ended when the previous president left the institution in 2007. The new visioning process has gained extensive campus buy-in. The emerging plan also emphasizes ways to increase enrollment of lower-income students and also to enhance the multicultural society in which OWU operates by placing a strong emphasis on preparing students for a global society. (Core Component 2a)
- i. In order to achieve the ambitions laid out in the emerging strategic plan, OWU will need significant new resources. Since the plan does not call for dramatic enrollment growth, fundraising and endowment growth are critical to its success. There is much evidence that OWU has very strong fund raising capability and that it is beginning to tap that capability. It raised approximately \$4.0 million in annual fund dollars in both fiscal years 2007 and 2008, including \$400,000 in a special discretionary President's Fund in fiscal 2008. The audited financial report showed gifts, pledges, and bequests

for fiscal years 2007 and 2008 equaled \$15.487 million and \$28.987 million, respectively. (Core Component 2b)

- j. In 2006, the University Relation Initiative was launched with gifts totaling \$1.0 million. The Initiative had four objectives grounded to generate more resources to further OWU's mission by implementing a donor-centered focus and develop a sophisticated internal research-based operation. The Smith Initiative followed in 2007, which was focused on gift planning and provided incremental funding to expand and enhance the Office of Gift Planning. This Initiative was meant to increase the gift planning staff; provide programmatic funding; create literature for use by staff and donors; train other staff, including major gifts officers, to assist with planned giving initiatives and provide resources so that officers can maximize their effectiveness. Since the last HLC Team visit, OWU has re-invigorated a planned gift society and worked to improve its stewardship with existing donors. OWU is also strategizing expansion of the donor base beyond a small number of large donors.

In addition, an external assessment found OWU ranks among the top five comparable institutions in the country in significant campaign potential. Even so, the Team noted that the 31 percent alumni giving rate was below that of peer institutions with similar potential for growth. In 2005, the silent phase of a campaign started and was based around five initiatives; to date \$82 million has been raised. Given the arrival of a new president, creation of a new institutional vision and emerging plan, fundraising has continued but is specific to a few select projects. The University Relations staff is anxious to promote institutional priorities and to design and launch the next campaign. (Core Components 2b and 2c)

- k. OWU has committed significant financial resources in support of its faculty and staff. While the University states plans to improve salaries, particularly those of faculty members in relation to the Great Lakes Colleges Association (GLCA), total compensation is a better measure of OWU's commitment to its employees. Retirement and health benefits are above the norm for similar institutions. OWU offers a generous faculty severance package of 3.5 years salary plus insurance to faculty at age 55. The practice of promoting faculty to full professor after a minimum of five years at associate rank means OWU has a larger percentage of full professors than its comparison schools. Additionally, the emerging strategic plan calls for an increase in the number of faculty in order to reduce student faculty ratio. Such a commitment in its human resources is commendable but will come at significant cost. Furthermore, some of the GLCA institutions to which OWU compares itself appear more aspirant institutions at this time than peers. (Core Component 2b)
- l. The Investment Subcommittee of the Endowment Committee of the Board of Trustees monitors the long-term investment of funds designated by the Board or donors as endowment funds and the internal investment fund to meet short-term financial obligations. The Subcommittee reviews annually the Statement of Investment Policies and Objectives (SIPO). Any revisions or modifications are made by the Subcommittee to the Board, which approves or disapproves any recommended SIPO changes. The SIPO recognizes that prudent investing requires taking reasonable risks in order to raise the likelihood of achieving the targeted

investment returns. The endowment spending policy uses an industry acceptable spending rate of 5.0 percent of the total Endowed Scholarships and includes a provision should actual earnings be less than the 5.0 percent allocation. Restricted and unrestricted support has ranged from close to 9.0 percent in fiscal 1999 to approximately 5.0 percent last year based upon a twelve-quarter rolling average of the endowment market values ending with the quarter ending one year prior to the close of the current fiscal year. Additionally, the Subcommittee recommends the hiring and/or replacing of an investment consultant to the Board. With input from the investment consultant (Cambridge Associates, LLC), the Subcommittee selects investment manager(s). The decision is then ratified at the next regularly scheduled meeting of the full-Board. As of June 30, 2008, the audited financial statements reported the investment portfolio totaled \$198.6 million compared to a balance of \$205.8 million one year earlier, a decrease of \$7.2 million or 3.5 percent. Further, the Finance Committee minutes of January 24, 2009 indicated that OWU had seen a 31.2 percent decrease in its overall endowment balance, a decrease from \$200 million to \$138 million due to current market conditions. The investment advisor, Cambridge Associates has advised the Investment Subcommittee of prudent investment changes. (Core Components 2b and 2c)

- m. The Audit Committee of the Board of Trustees oversees the University's annual audit and all processes related to it including the management letter, as well as any processes and procedures to ensure that OWU complies with laws, regulations, ordinances, and University policies. The June 30, 2008 audited financial report prepared by Maloney & Novotny, LLC gave an unqualified opinion. The audited financial statements are prepared in conformity with accounting principles generally accepted in the USA and in accordance with the pronouncements issued by the Financial Accounting Standards Board and are presented fairly. The audit report includes a statement of financial position, a statement of activities, a statement of cash flows, and notes to the financial statements.

Further, the Auditor's notes to the financial statements included discussion of several subsequent events after the close of the fiscal year. Those events included the decline in trading prices of marketable securities, a result of the challenges brought on by the difficult investment and credit markets; the tendering of OWU's variable rate demand bonds and failed to re-market or re-marketed at higher interest rates, a result caused by the illiquidity of the credit markets and credit downgrades of institution(s) providing letter(s) of credit; the University's account with the Commonfund Short Term, which served as working capital was closed by its trustee, again a result of the economic downturn. Despite the new fiscal realities, the Team believes that none of these subsequent events will disrupt current operations or impair program planning. The Auditor's management report also pointed to several matters where opportunities existed to strengthen internal controls and operating efficiencies. Further, the Auditor's report for the OMB Circular A-133 report indicated OWU was a low risk auditee. The audit reports communicate fiscal responsibility, accountability, and financial solvency. (Core Components 2b and 2c)

- n. The Fiscal Affairs Committee of the Board of Trustees reviews the annual operating and capital budgets recommended by the President. The Committee monitors the

actual financial results against budgets approved by the Board. Evidence supports and demonstrates that annual planning and budgeting priorities stem from the University's mission. Key functional points discussed include tuition, tuition discounting, enrollment, retention, technology and capital requirements as well as use of the endowment and quasi-endowment to support operations. The authorized budget compared to actual results for fiscal years 2007 and 2008 show that given OWU's operating capacity, reasonable allocations were made for sufficient expenditure levels to support educational and non-educational programs. For example, after price-level adjusting fiscal years 2007 and 2008 operating revenue and instructional costs to fiscal 2006, instructional costs were consistently above 34 percent. The Team did learn from the President's Report to the Board of Trustees on January 22, 2009, OWU is exercising prudent measures to navigate the turbulent financial times. For example, it was recommended and agreed to reduce the endowment draw for fiscal 2009-10 to \$8.5 million, and this would be accomplished by eliminating real costs in the budget. Further evidence was the "policy of placing unrestricted bequests into the endowment as important to long-term growth of the endowment." Finally, the Finance Committee minutes from January 24, 2009 indicated that an \$800K enrollment contingency had been built into the budget as an expense. (Core Components 2b, 2c, and 2d)

- o. The new Vice President for Finance and Administration indicated that previous development of operating budgets was a non-inclusive process. The Team found that the January 2005 through 2008 Finance Committee minutes indicated a review of budget assumptions and acceptance of the operating budget plan. Generally at the January meetings of the full-Board, the operating budget would be presented, accepted, and approved by resolution. Other budget matters that have troubled OWU include deficit spending and heavy tuition discounting. The Self-Study Report showed that fiscal years 2000 through 2005 ended in spending deficits that were later covered by the quasi-endowment. In fact, the April 1, 2005 minutes of the Executive Committee disclosed that the Board of Trustees expected "a balanced budget in all respects no later than the 2007-08 budget." Further, for the academic year 1998-99, OWU experienced a tuition discount rate of nearly 56 percent compared to the tuition discount rate for Fall 2008 of only 46 percent, a positive reduction to the tuition discount rate of 10 percent. Summer 2007, Maguire Associates confirmed OWU's tuition discount rate was beneath "some of the immediate competitors; Denison's and Wooster's discount rates are just over 50% and Wittenberg's is about 49%."

The January 24, 2009 minutes of the Finance Committee indicated that the operating budget process for fiscal 2009-10 would be developed over a new timeline. The Board would be asked to approve the proposed operating budget at their May meeting rather than at their January meeting as had been done in the past. The minutes showed a review of budget assumptions being considered by the administration such as enrollment goal, compensation and program factors, personnel, tuition and room and board charges, and endowment support. The Team was encouraged by the President's remarks at the Finance Committee meeting held January 24, 2009, which indicated a more formal process for building next year's budget was being outlined. The President further stated that "this will offer the first

step in an evolutionary process that will lead Ohio Wesleyan to more strategic budget planning.” (Core Components 2b, 2c, and 2d; also see Criterion 4, Section 1-g)

- p. A review of the Academic Committee of the Board’s supporting documentation, including its Committee’s Charge and Committee meeting minutes, indicated that the Committee monitors academic programs for consistency with the institution’s mission and goals. Committee minutes also indicated the Committee reviews the effectiveness of programs, student-faculty ratios, assessment of student learning, and, recently, the granting of faculty tenure. The Team found sufficient evidence of appropriate overlap between the Marketing Committee of the Board to ensure faculty personnel policies and procedures complement academic priorities and agree with the Fiscal Affairs Committee of the Board regarding enrollment and retention of students and resource allocations. (Core Components 2c and 2d; also see Criterion 4, Section 1-g)

2. Evidence that one or more specified Core Components need organizational attention.

- a. There is good evidence of the assessment of student learning, which includes use of institutional effectiveness measures (i.e., retention, graduation rates, career services/placement) are built into the continuous improvement culture. A suitable use of consultants accompanied by operational system of timely surveys and reports exists and is monitored as appropriate. Further, the assessment system does appear to be fully aligned to the stated mission, not to annual operating budget or, ultimately, the resources necessary to have a positive impact on student learning. (Core Component 2c; also see Criterion 3, Section 1-c)
- b. Despite the overall progress OWU has made with regard to its facilities, there are significant issues yet to be addressed which appear to be affecting its ability to recruit and retain students: OWU’s residence halls. All groups interviewed, with the exception of the community group, expressed concerns about the condition of the residence halls. While the Physical Plant staff does an admirable job of keeping these buildings clean and neat, at least the common areas and bathrooms, the infrastructure and need to address deferred maintenance is especially acute in the older residence halls and Small Living Units (SLUs).

Task forces on Greek Life, Residential Life, campus master planning group and various other planning groups have been very active in learning about the various constituencies on campus and what is needed to advance OWU. Clearly, from all groups the Team met with, the number one student issue is the poor condition of the residence halls and the need for immediate action. The 1999 Evaluation Team cited poor conditions of student living facilities; there has been little progress to date on resolving this issue other than cosmetic changes. The current plan being discussed is to renovate three vacant Greek houses which will serve as the first step in a staged plan to renovate the residence halls, Greek Houses and SLUs which are theme based. The Team is also concerned about the potential liability for student health and safety.

Other challenges OWU faces related to facility needs are deferred maintenance projects and disability accessibility. A review of the Campus Master Plan surprisingly does not include accessibility as a key issue in need of addressing. The Team heard from students, staff, and faculty their concern for the lack of disability accessibility. Students in particular felt that individuals with physical disabilities were not made to feel as welcomed on campus as other individuals or groups are. The Team's concern is whether the strategic plan being developed will include goals and funding for resident hall renovations, deferred maintenance projects, and disability accessibility. (Core Components 2c and 2d; also see Criterion 5, Section 2-a and 2-b)

- c. OWU has utilized a number of external consultants since the 1999 re-accreditation visit to determine and/or evaluate institutional effectiveness in relation to various planning processes. The current strategic planning process has been inclusive and mission-based. The process builds upon and honors the extensive efforts of the campus community in an earlier strategic planning effort that ended when the previous president left the institution in 2007. The new visioning process has also gained extensive campus buy-in, which may not have been the case in the previous effort. The emerging plan emphasizes ways to increase enrollment of lower-income students while also enhancing the multicultural society in which OWU operates by placing a stronger emphasis on preparing students for a global society. As noted earlier, OWU must determine how to put ongoing evaluation processes in place in order to monitor the success of the strategic plan. The expanded institution-wide research capability along with the enhanced related research and assessment capabilities in University Relations, Enrollment, and Academic Affairs are good steps toward ongoing assessment of institutional efforts. (Core Component 2a)
- d. The President and Vice President for Finance and Administration indicated that the budget process is being revised. Previously, increases to operating budgets had been across the board rather than strategic, with some areas over-resourced and others under-resourced. By not allocating resources in ways that support educational programs, the planning process is not in full alignment with the mission and can sidetrack organizational focus. It was commented that the new budget process will require justification in order to gain additional resources. The timeline to fully implement the new budgeting process is dependent upon developing important budget parameters such as accurately projecting enrollment and securing changes to the curriculum that will "create innovative and productive opportunities for engaged learning at OWU." The Team was told that plans also exist to develop a multi-year budget model. Such modeling is critical if OWU is to link its planning and budgeting processes. However, the Team is concerned about not having initiative-driven planning documentation available to strengthen and coordinate actions annually with a principled allocation of resources for dealing with OWU's challenges and opportunities. (Core Components 2c and 2d)
- e. OWU has attempted to demonstrate a commitment to professional development for its faculty and staff. However, professional development opportunities are limited by available resources. A recent employee survey pointed out that only 60 percent of the faculty and administrators had adequate opportunities for professional development

while only 32 percent of the clerical staff and 46 percent of other hourly staff indicated opportunities were adequate. The Team noted that the Self-Study Report, Criterion 4, reported that providing adequate professional development opportunities for faculty and staff was a significant challenge. (Core Components 2b and 2c; also see Criterion 4, Section 2-b)

- f. The Team recognized the speed and thoroughness of OWU's Strategic Visioning process. Started in late Fall 2008, the first draft of the vision document was under review at the time of the Team's visit, with a more detailed plan to be presented to the Board of Trustees in May. The challenge before OWU at this time is to move from vision to a fully developed strategic plan. This means prioritizing ambitions and developing strategies, timelines and budgets to attain these priorities. (Core Components 2c and 2d)
- g. OWU selected a first-rate President who will face a variety of challenges and, according to several measures since taking office, thoughtfully values decisive action as shown by the aggressive measures taken to identify a strategic vision and develop a strategic plan. Just as OWU is preparing for significant change under its new leadership, so is the role of the Board as it recently undertook a review of its structure to ensure its readiness and efforts are aligned with institutional priorities and, more importantly, is functioning with greater cohesiveness. Further, the Board's willingness to share its intellectual and strategic contributions will provide valuable consultation to the President and interpretation of forces influencing OWU. The evidence supporting the Team's encouragement is the Board Chair's comment at the January 24, 2009 meeting of the full-Board when it was stated that "the Board Reorganization Subcommittee will be charged to examine the work of the Board and how the Board might redefine its work and tasks in working with the Administration to implement the strategic plan." The Team's interest is also supported by a resolution where the Board pledged "to work with the Faculty and Administration to develop a strategic plan that embraces these findings and recommendations and further pledges to seek strong funding of these initiatives as part of the campaign for the future of Ohio Wesleyan University." (Core Components 2c and 2d)
- h. The University has had balanced budgets for the past three years and projects that FY09 will also end with a surplus. This has not always been the case; from fiscal 2000 through fiscal 2005, annual budget deficits were made up with additional quasi-endowment spending. This history speaks to the need for clearly linking planning and budgeting and for careful multi-year budget modeling. Monitoring also is improved by monthly communication of budget status. The Team found no monthly financial reports. Further, financial management can be strengthened through a new budget development process, multi-year modeling, and monthly financial updates shared with budget managers. The budget must be tied to the strategic plan so that resources are driven by institutional priorities rather than historical allocation of funds. (Core Components 2b, 2c, and 2d)
- i. In virtually all meetings with students, faculty, and staff, the Team heard concerns about OWU's need to improve its technology capabilities from infrastructure to software compatibility. The campus has a wireless infrastructure including the

residence halls; however, we heard from various sectors of the campus community concerns with the bandwidth and technology support. Similarly, faculty expressed concerns with the limitations of technology in academic spaces outside of the new science center, and staff discussed problems with the lack of common software and a campus-wide approach to equipment purchases and support. A comprehensive planning process will be needed to consolidate a plan for how OWU will approach the significant issues associated with technology. Policies, planning, purchases of equipment, development of priorities for technology and how it is implemented on campus are growing concerns. With the growing use of technology and web-based admissions processes where prospective students apply on-line to OWU and learn about the University via computer, the need to be more proactive with the issue of technology is especially important. (Core Components 2b and 2d)

- j. With the addition of a Vice President for Student Affairs responsible for developing a vision for how the co-curriculum meshes with the curriculum, there will be a growing need for assessment methods to determine whether student learning goals have been met. Assessment will also be especially important for decision making and the allocation of resources as OWU's focuses on improving living and learning environments in the residence hall system. While the student life staff uses various satisfaction surveys and seeks student input, a much more detailed assessment plan will be needed that is guided by theory, goals, and expected learning outcomes. (Core Component 2c)
- k. OWU prepares the financial ratio analysis known as the Composite Ratio Score used by the Department of Education and the Higher Learning Commission (HLC) to monitor financial health. The ratios provide a monitoring of trends and assist in predicting financial flexibility as well as provide a greater understanding of financial results. For example, the ratios help in determining whether resources are sufficient and flexible enough to support institutional mission; whether operating results demonstrate living within available resources; and what relative proportion of equity is used to support institutional assets. The Team's review of the ratios submitted to HLC showed that the primary reserve ratio has not been calculated correctly. The Team recommends resubmitting the data. (Core Component 2b)
- l. Since June 30, 2008, the market value of the total endowment fund assets has fallen approximately 32 percent, a result of challenges related to the economy. As of February 28, 2009, the invested market value of the total endowment fund assets remained above its overall historical dollar value. However, a subset of specific endowment accounts have dipped below their original gift value by \$11.1 million, a position referred to as "underwater." The Administration acknowledged that certain endowment funds had dropped below their historic gift value and may not be used, due to procedures mandated by the Uniform Management of Institutional Funds Act (UMIFA), the authority governing spending practices from endowments. The endowment spending policy is designed to track spending against 5.0 percent of the endowment's value on a 12-quarter rolling average, which serves to preserve endowment assets. The President's Report to the Board on January 22, 2009 illustrated fiscal conservatism by reducing the 2009-2010 budget allocation for allowable endowment draws from \$9.2 million to \$8.5 million. The President

indicated that the reduced endowment support would be balanced through a reduction of “real costs in the budget.” On January 24, 2009, the Finance Committee adopted a resolution that the endowment draw shall not exceed \$8.5 million for the academic year 2009-10. Further, the Investment Sub-committee of the Endowment Committee continues to closely monitor asset allocations and policies, including recommendations to lower the endowment’s annual spending commitment. (Core Components 2a, 2c, and 2d)

3. Evidence that one or more specified Core Components require Commission follow-up.

- a. The strategic visioning process has been inclusive and mission-based. However, at the time of the Team’s visit, that vision and the goals related to it had not yet been formulated into a strategic plan. The difficult task of establishing priorities had not yet occurred, and strategies, timelines, and budgets did not yet exist. OWU is well on its way to having a very strong direction for the future.

Strategic planning provides linkages to the core values and goals, which indicate a commitment to student learning and teaching effectiveness. A strategic planning process enhances effectiveness and nurtures the bundling of planning activities such as the academic plan, the technology plan, the marketing plan, and the enrollment plan. Specifically, fundraising must be part of the strategic planning process. Strategic planning anticipates crossover effects among and between the plans and impacts on departments and operations. The focus is for all levels of planning to align with the institution’s mission, thereby enhancing its capacity to fulfill the mission.

Further, OWU needs to develop a policy to guide decisions for the forthcoming strategic plan and to conduct watchful and responsible care to accurately monitor the effectiveness of the planning and the use of resources. The evaluation and assessment processes will provide reliable assurance of institutional effectiveness and informs strategies for continuous improvements. The Team also believes OWU would benefit by including multi-year budgeting as part of the strategic planning process. A multi-year budgeting process should provide a clearer understanding of revenue and/or expense fluctuations such as helping to quantify the impact of market developments on assumptions related to enrollment and other relative estimates. (Core Components 2b, 2c, and 2d)

4. Evidence that one or more specified Core Components are not met and require Commission follow-up. (Sanction or adverse action may be warranted.)

None

Recommendation of the Team:

Criterion is met; Commission follow-up is recommended for Core Component 2b, 2c, and 2d.

A progress report is due by November 30, 2011, and should feature steps taken toward improving its strategic planning process. The report should include but not limited to demonstrating achievement of: (1) long-range integrated strategic planning; (2) linking strategic planning to multi-year budgeting; and (3) aligning the mission and vision to planning and resources.

CRITERION THREE: STUDENT LEARNING AND EFFECTIVE TEACHING. The organization provides evidence of student learning and teaching effectiveness that demonstrates it is fulfilling its educational mission.

1. Evidence that Core Components are met.

- a. The academic program is well-matched for the mission and delivered effectively. OWU has attracted and retained a faculty with nationally recognized credentials and strong experience appropriate to their fields of instruction. (Core Components 3b and 3c)
- b. The Department of Athletics reports no major conflicts with class scheduling and student-athletes being able to attend practices and athletic contests. Classes end on time for late afternoon practices and athletes are required to inform professors if they will miss a class due to a scheduled game. The Team learned from coaches and athletes that academics come first. Students will upon occasion be late for practice or miss a game if a class/lab runs late or if an exam or class is vitally important and cannot be missed. To ensure that student athletes and coaches understand the policies and procedures, the Department has developed a comprehensive handbook. It is noted that consolidating the extensive list of policies and procedures into a manual of this scope is a best practice. (Core Component 3c)
- c. Each year, the Athletics Department sponsors a special academic awards dinner for all student athletes who earn Academic All-American or Academic All-Conference. The student-athletes are required to invite a faculty member to the dinner where they are presented with a paperweight honoring them and their contributions to the academic success of the scholar-athlete model embraced by OWU. The Team heard that there is a good natured competition among faculty members for the number of paperweights earned and accumulated. (Core Components 3b and 3c; also see Criterion 4, Section 1-c)
- d. OWU is strongly committed to the assessment of student learning. In 2006, all departmental and program assessment plans underwent review and revision, with each plan clearly indicating departmental or program mission, curricular and/or learning goals, direct and indirect measures, and feedback mechanisms. The standing Assessment Committee then evaluated each revision based upon a new rubric created after attending an HLC workshop. Departments or programs report on all four categories annually. Along with the Committee, the newly created position of

Associate Dean of Academic Affairs for Assessment and Accreditation allows on-going effective management of assessment processes and reports. Further, the Committee and Associate Dean oversee assessment of the general education component, including a recently implemented quantitative reasoning requirement, for which measures are currently under development. The Committee also evaluates results of the National Survey on Student Engagement (NSSE) and directs the recommendations to appropriate units. (Core Component 3a; also see Criterion 2, Section 1-p and Section 2-a)

- e. The 1998 Accreditation Team report commended OWU for the faculty's dedication "to the institution and the students." The 2009 Team noted that this tradition to quality teaching has continued. In 2003, the Dehne Alumni Study reported 79 percent of alumni marked the quality and accessibility of the OWU faculty as highly significant. Current students voiced consistent satisfaction with the rigor of instruction. Recent NSSE results showed OWU students—especially seniors—rated experience with the faculty more highly than students did at selected peer institutions. (Core Component 3b)
- f. OWU's commitment to quality teaching is clear as teaching carries a 60 percent weight in retention, promotion, and tenure decisions. All prospective tenure-track faculty members attend a rigorous two-day interview process. The Faculty Personnel Committee reviews faculty self-reports, teaching evaluations, and responses from peers and graduates. Most notable is the use of departmental student boards to evaluate teaching in particular. The Teaching, Learning, and Cross-Cultural Programming Committee oversee teaching circles that currently include approximately thirty faculty members. The Library and Information Services Committee regularly also offers workshops on the use of technologies to improve teaching methods. Faculty have access to over \$1,000 annually to support their professional development. (Core Components 3b and 3d; also see Criterion 4, Section 1-a and 1-f)
- g. OWU succeeds in creating a holistic learning environment for students. Although the tendency toward departmental "siloeing" and the use of distribution requirements to fulfill general education needs could lead to curricular incoherence and missed opportunities for creating a rich learning environment, OWU has for many years supported curricular and co-curricular programming opportunities to counteract this possibility. The Sagan National Colloquium brings internationally recognized speakers to campus to interact with faculty and students regarding issues of global significance. Theme-based Small Living Units (SLUs) provide popular, faculty-sponsored living-learning communities. The President's Commission on Racial and Cultural Diversity encourages the OWU community to respect different views and experiences by sponsoring such activities as the annual commemoration of Martin Luther King, Jr. Day and the regular recognition of students and faculty who have contributed most to promote the benefits of diversity. A special academic awards banquet recognizes successful student athletes. Assessment measures include writing and quantitative reasoning requirements that encourage cross-disciplinary approaches.

Furthermore, most notable is the work of the OWU task force currently reviewing the recommendations of the Art and Science Group consultation. The task force's recommendations will do more than simply translate the consultants' recommendations into a more clearly delineated "brand." They will outline a set of common, developmentally sensitive experiences to encourage the application of learning both on and off the campus. One part of this plan—the revitalization of the Sagan National Colloquium—has already received substantially increased funding and "for the first time in many years, the colloquium events are continuing during the spring semester." (Core Component 3c; also see Criterion 1, Section 1-b; Criterion 4, Section 1-a and 1-b)

- h. Further, the Team's review of the Sagan Academic Resource Center showed that it combines expertise, resources and facilities to effectively support learning of students with special academic needs, as evidenced by the range of services provided, the qualifications of staff, the availability of external consultants for students with Asperger's Syndrome, and the use of outreach strategies (including the recent introduction of blogging) to students and faculty. (Core Components 3c and 3d; also see Criterion 1, Section 1-e)
- i. OWU effectively supports the curriculum with library resources, services, and space. A main library and two branches (science and music) offer traditional and electronic resources. Faculty with whom the Team spoke attested to the level of access they and their students have for research projects. The faculty also reported that the librarian liaisons assigned to their departments were helpful. Access to OhioLINK provides resources beyond those purchased by OWU. A new Information Commons and 24-hour internet café in the main library provide electronic resources, technology access, and space for collaborative projects. (Core Components 3c and 3d)

2. Evidence that one or more specified Core Components need organizational attention.

- a. OWU would benefit from systematic efforts to mobilize existing resources for the benefit of teaching. In particular, formalized classroom visits and reports from peers across disciplines as a regular part of faculty formation would provide good opportunities for collegial exchanges about teaching and learning. In addition, development of a consistent, institution-wide orientation process for faculty members in their first or second year at OWU would complement already rigorous hiring procedures and existing orientation practices within departments. (Core Components 3b)
- b. OWU would benefit from systematic efforts to mobilize existing resources for the benefit of student learning, especially in light of the evolving strategic plan. The Team had serious concerns about the ability of existing instructional technology resources and academic infrastructure (advising procedures, enrollment practices) to bear the weight of changes proposed in the plan. These concerns are as much about planning as about money and administrative positions. For example, the absence of institution-wide procedures for purchasing office computers seems inefficient and

costly. In addition, while the creation of the Student Advising, Registration and Testing program and the position of associate dean for first-year students represent an attempt to improve retention, at least one administrator acknowledged that OWU needs to do significantly more planning to reach the freshman-to-sophomore retention rate goal of 90 percent, especially given the scheduled phase-out of the associate dean's position. (Core Component 3c; also see Criterion 2, Section 2-h)

3. Evidence that one or more specified Core Components require Commission follow-up.

None

4. Evidence that one or more specified Core Components are not met and require Commission follow-up. (Sanction or adverse action may be warranted.)

None

Recommendation of the Team:

Criterion is met; no Commission follow-up recommended.

CRITERION FOUR: ACQUISITION, DISCOVERY, AND APPLICATION OF KNOWLEDGE. The organization promotes a life of learning for its faculty, administration, staff, and students by fostering and supporting inquiry, creativity, practice, and social responsibility in ways consistent with its mission.

1. Evidence that Core Components are met.

- a. The catalog, semester course schedule, and interviews with the Board, faculty and students confirm that OWU offers abundant opportunities for learning, including independent projects and application of learning through internships and apprenticeships. Interviews with faculty affirmed their commitment to student learning and their appreciation for OWU students. (Core Components 4a and 4b; also see Criteria 1, Section 1-k; Criterion 3, Section 1-f and 1-g)
- b. OWU's efforts to study and integrate the recommendation from the Art and Science Group consultancy demonstrate commitment to a well-grounded liberal arts curriculum model that embraces both theory and practice. The "Theory to Practice" model that is emerging as a leading unifier of the OWU experience in current strategic planning discussions builds on the institution's historical academic strengths, is consistent with best practices in current undergraduate education, and supports current efforts already underway in many departments. (Core Components 4b and 4c; also see Criterion 1, Section 1-h; Criterion 2, Section 1-d; and Criterion 3, Section 1-g)

- c. Evidence of student engagement in and achievements growing out of the OWU academic program abounds. Students with whom the Team spoke were excited about projects they were conducting with faculty mentors. The library hosts an annual showcase that celebrates student scholarship, and University publications showcase student work. The scope and quality of the projects is consistent with the quality of the OWU student body and the institution's mission, historical strengths, and aspirations. (Core Component 4b; also see Criterion 3, Section 1-c)
- d. The Board avails itself of publications, workshops and conferences from the Association of Governing Boards and other sources to remain informed about emerging issues in higher education and the role and responsibilities of the Board and its members in institutional governance. (Core Component 4a; also see Criterion 1, Section 1-g)
- e. OWU supports professional development for faculty through a full program of sabbatical leaves, provision of professional development funds to each faculty member, endowed funding for scholarly and creative projects, and the addition of several special leaves for scholarship. (Core Component 4d; also see Criterion 4, Section 2-b)
- f. Faculty commitment to teaching is evidenced by the widespread response to the many formal and informal workshops on campus that explore effective pedagogy, use of technology in teaching along with other instruments. Many faculty members with whom the Team spoke commented on the quality of the sessions, the number of faculty who attended, and their desire for additional opportunities of this sort. The evidence also showed support for the scholarship of pedagogy as a form of professional development or scholarship in its evaluation of faculty. (Core Components 4c and 4d; also see Criterion 3, Section 1-f)
- g. Reports revealed OWU has a long history of program review for academic departments. These reviews take place either every five years or in conjunction with any request for new or replacement of a faculty position, whichever occurs earlier. The reviews include examination of enrollment and other data, the rationale for program changes including references documenting that the department is current with best practices in the discipline, and an examination of university-wide needs in the short- and long-term. (Core Components 4b and 4c; also see Criterion 2, Section 1-o and 1-p)
- h. OWU has policies in place for Academic Honesty, an Institutional Review Board, and an Institutional Animal Care and Use Committee that demonstrate its commitment to acquiring, discovering and applying knowledge responsibly. The library provides information to faculty about copyright issues and requires faculty acknowledgment of policies in obtaining materials. (Core Component 4d; also see Criteria 1, Section 1-q and 1-r)

2. Evidence that one or more specified Core Components need organizational

attention.

- a. The OWU Faculty Manual states that “scholarly contributions as evidenced through research, publication and professional participation” are second of the three criteria for faculty appointment, merit increases and promotion. Administrators and faculty members consistently reported to the Team that scholarly contributions are weighted as 30 percent of the overall faculty evaluation. However, the Team found evidence from faculty and administrators that some institutional practices are not consistent with these stated expectations, specifically: 1) while the earliest promotions in each rank require a high level of scholarly achievement, faculty members are eventually promoted “for longevity,” regardless of the level scholarly activity; 2) sabbatical leaves are entitlements, awarded automatically rather than on the basis of the merits of a scholarly proposal; and 3) institutional recognition of faculty scholarship (e.g. the OWU magazine) is somewhat limited. (Core Component 4b; also see Criterion 1, Section 2-c)
- b. Professional development opportunities for many administrative and support staff is limited by the resources made available and inadequate given the essential functions individuals fulfill for OWU. A recent employee survey indicated only “60 percent of the faculty and administrators said they had adequate opportunities for professional development, but only 32 percent of clerical staff and 46 percent of other hourly staff said that these opportunities were adequate. Likewise, financial constraints limit training and travel opportunities for staff across the campus.” This concern was noted in the Self-Study Report under the Criterion’s challenges that OWU faces. The Team found no evidence to contradict this concern during the visit. (Core Component 4d; also see Criterion 2, Section 2-e)

3. Evidence that one or more specified Core Components require Commission follow-up.

None.

4. Evidence that one or more specified Core Components are not met and require Commission follow-up. (Sanction or adverse action may be warranted.)

None.

Recommendation of the Team:

Criterion is met; no Commission follow-up recommended.

CRITERION FIVE: ENGAGEMENT AND SERVICE. As called for by its mission, the organization identifies its constituencies and serves them in ways both value.

1. Evidence that Core Components are met.

- a. The sense of engagement and service permeates the institution—there exists on the OWU campus an ethos about the importance of service and engagement that is grounded in the student curricular and co-curricular learning experiences. For example, students experience the requirement of service learning in many courses but perhaps most immediately in the entry level education courses where there is an expectation of student engagement with local schools or social service agencies. Mission trips, service requirements for athletic teams, Greek organizations, Small Living Units (SLUs) and many other opportunities for engaged and service learning spread through co-curricular life at OWU. The 2007 National Survey on Student Engagement (NSSE) provided evidence that OWU surpassed NSSE average norms along with selected peers and Carnegie peers for enriching educational experiences in measurements performed for freshmen and senior years. Further, students are actively engaged with the governance systems of OWU by representation on virtually all committees, task forces, search committees and other all-college groups. (Core Component 5a; also see Criterion 4, Section 1-a)
- b. During the past several years OWU has gone through a remarkable period of self analysis, reflection and data gathering, much of this accomplished with the assistance of consultants—Dehne, Ologie, Hartwick-Day, Noel-Levitz—and the data has been used in the re-development of the strategic plan. The data has examined virtually all areas and constituencies related to OWU. The synthesis of this material will provide for more informative decision making opportunities according to many interviewed by the Team. (Core Component 5a)
- c. The Team learned that African American alumni have been active in raising funds to assist students of color who may be experiencing financial hardships, including supplemental funds needed for tuition and books. Additionally, a key goal of alumni relations is to reach out to alumni and connect or reconnect them with their alma mater. One strategy being used to address this matter is through the 30 city “Rock Tour” where the president is meeting alumni, friends of the University as well as high school counselors to educate them on the value of an OWU education. The tour has been cited as a major success in connecting with OWU’s external constituencies. (Core Component 5b)

Another strategy employed by OWU to connect students with alumni and friends of the University is the *Tuition Free Day* which marks the end of student tuition covering the cost of an OWU education and the day that the support of alumni and friends provides the remainder of the funds for operations. Students are encouraged to recognize and thank those whose contributions make it possible for them to obtain an OWU education. Since this occurs about half way through the second semester it is a dynamic statement for how important student scholarship support is in meeting the actual cost of an OWU degree. (Core Component 5b)

- d. The Team learned that in 2002 OWU, in the midst of increased expressions of public concern about the vitality of downtown Delaware, took ownership of the

local theatre. Such action is concrete evidence of how OWU views town/gown relations and the University's value to the Delaware community. Eager to more fully partner with the community in anchoring plans for an emerging cultural arts district within the city, OWU and local leaders established the Strand Theatre and Culture Arts Association in 2007. With majority representation on the Association's governing board, OWU continues to contribute personnel and other resources to enhance and sustain a vital and energetic component of the community.

OWU is also generous with their facilities, providing office space for the local symphony, where the Director feels like he is a part of the University community. Citizens, alumni, trustees and students all cited their appreciation for the strong town-gown relationship that currently exists. Nonetheless, records also show that certain challenges have tested the relationship over the years, particularly when a conflict developed over the purchase of property for athletic fields. Additionally, OWU recently decided to offer free admission to athletic events, an action well received by the local community. OWU also offers a rich array of lectures, performances, and other cultural activities which are open to public attendance. The Sagan National Colloquium, which brings distinguished national and international leaders and speakers to campus, was cited as a prime example of the valuable role OWU plays in the cultural enrichment of the local area. (Core Component 5b)

- e. The University Relations Office has developed a research approach to guide development efforts. The Office has used consultants to determine OWU's fund raising capacity, which is quite substantial, and the data is used to allocate departmental staffing for "connecting" with potential donors effectively and efficiently. "Drilling down" to the foundation of the development pyramid is an essential strategy to reach future constituencies who will become critical to the success of future fund raising efforts. (Core Component 5b)
- f. OWU has signed agreements outlining its relationship with the Great Lakes Colleges Association and the Ohio 5 Group. The relationships provide opportunities for data comparisons, professional development opportunities for faculty and staff, cooperative overseas study programs, and cross-campus information and support. The relationships are important for OWU as it aspires to become one of the nation's premier, private, residential, liberal arts institutions. (Core Component 5c)
- g. Alumni and students described the networking opportunities available to OWU students in and around the Delaware-Columbus area. Further, the Alumni Office has used the 30 City "Rock Tour" where the President has met with alumni, potential donors, high school counselors and friends of the University to build the networking capabilities for current students seeking internships or employment. The emphasis on building the network will pay significant dividends for students in a difficult economy. (Core Component 5c)
- h. A review of the 2007 National Survey on Student Engagement showed OWU scored above the NSSE's average score as well as scores for selected peer and Carnegie peer groups, when students were questioned about their college experience and exposed to an environment supporting academic success and emphasizing attendance at

campus events and activities. Further review of NSSE scores confirmed that OWU students showed positive differences in every category where students' perceptions of the extent to which the University had contributed to their development between the freshmen- and senior-year responses.

The Team also reviewed responses from external constituencies related to many of the student service projects or internships that were received by the Director of Community Service Learning. These responses were from agencies such as the Big Brothers Big Sisters of Central Ohio, Delaware Soil and Water Conservation District, and Victim Services of Delaware County confirmed the positive student interactions and experiences with the external community. Additionally, OWU's Perkins Observatory offers several hundred public programs and small-group programs each year. Finally, the Team's open forum with members of the local community verified the positive interactions OWU and the local community have experienced. (Core Component 5d)

2. Evidence that one or more specified Core Components need organizational attention.

- a. The last HLC Evaluation Team to visit OWU cited the poor condition of the residence halls in their report. This Team discovered that except for small cosmetic changes virtually nothing had been done to address the problem. Every group interviewed cited the need to address this long overdue situation. While the plan calls for work to begin this summer with three vacant Greek Houses, there is an urgent need for a longer term plan that rectifies housing conditions. This is especially important in light of recruitment and retention efforts, which cite the condition of the residence halls as a reason why a student may not come to OWU or why he or she might leave. (Core Component 5c; also see Criterion 1, Section 2-a; and Criterion 2, Section 2-b)
- b. The Team learned of one constituency that may not have been represented as well as some would have liked: the disabled, especially the physically disabled. Campus access for the disabled was identified as a concern that will be challenging for OWU due to the historical nature of the buildings and facilities and the expansive and hilly terrain of the campus. (Core Components 5a and 5c; also see Criterion 2, Section 2-b)

3. Evidence that one or more specified Core Components require Commission follow-up.

None.

4. Evidence that one or more specified Core Components are not met and require

Commission follow-up. (Sanction or adverse action may be warranted.)

None.

Recommendation of the Team:

Criterion is met; no Commission follow-up recommended.

V. STATEMENT OF AFFILIATION STATUS

A. Affiliation Status

No Change

B. Nature of Organization

1. Legal status

No Change

2. Degrees awarded

No Change

C. Conditions of Affiliation

1. Stipulation on affiliation status

No Change

2. Approval of degree sites

No Change

3. Approval of distance education degree

No Change

4. Reports required

Progress Report

It is recommended that Ohio Wesleyan University submit a progress report to the Higher Learning Commission by November 30, 2011, related to three areas that require careful ongoing attention.

The report should focus on the steps taken to develop:

1. Long-range integrated strategic planning;
2. Linking strategic planning to multi-year budgeting; and
3. Aligning the mission and vision to planning and resources.

The Team's expectation is that the three issues must be addressed positively. The failure to address satisfactorily the three issue or new concerns raised will result in increased attention by the Commission.

5. Other visits scheduled

None

6. Organization change request

None

D. Commission Sanction or Adverse Action

None

E. Summary of Commission Review

It is recommended that the timing for the next comprehensive evaluation visit be in ten years (academic year 2018-2019).

The comprehensive evaluation performed March 23-25, 2009, found Ohio Wesleyan University (OWU) fulfills the five criteria for accreditation. OWU demonstrated both in its documentation and in its processes that it meets all criteria and core components of the criteria established by the Higher Learning Commission. The Team affirmed OWU's ability to continue to support the fulfillment of the five criteria and core components for accreditation through careful scrutiny of the many documents made available; discussions with faculty, staff, students; and touring its physical facilities.

The Team did identify that OWU is entering an initial stage to address strategic visioning and planning. The preparatory steps are designed to ensure OWU should be able to act swiftly and intelligently when faced with opportunities and challenges and to deal with expectations that often are unforeseen and unpredictable. The new President has unfolded a strategic vision for OWU's future direction that is differentiating and compelling as well as grounded "for a 21st century liberal education that enriches the life-changing education offered to OWU students." Comments received about the vision identified that it "can be agreed upon and be used as a basis for prioritization of institutional goals, resource allocations, and more effective fund raising." The Board is building momentum to be highly engaged with OWU's policies

and activities, as well as recognizing the need to establish an integrated strategic planning process. The administrative leadership team possesses expertise in postsecondary education and is capable of this undertaking.

The Team found evidence that each of the five criteria for accreditation had core components that are in need of organizational attention. The Team encountered evidence that within Criterion Two, not all requirements were fully met and require Commission follow-up. Specifically, the Team recommends OWU provide a progress report related to its long-range integrated strategic planning. The Team's reasoning is to make certain the building blocks that will align planning and resources to the vision and mission are firmly positioned to modernize and advance OWU's readiness and limit inevitable tensions while improving its capacity to fulfill the mission. The Team recognizes that OWU embraces a culture of sharing and dealing with matters on a university-wide basis for added consensus and understanding. The Team trusts the same energy and cohesion will hold true in defining actionable goals and objectives to achieve a sustainable integrated strategic plan.

The Team concluded that OWU providing a progress report would be sufficient monitoring of progress by the Commission. The Team acknowledges that OWU is a very capable institution and believes it will provide the evidence needed to satisfy the report as well as progress further in the fulfillment of its mission.

VI. ADDITIONAL COMMENTS AND EXPLANATIONS

A financial ratio analysis can serve to measure the financial health of an institution by determining whether sufficient resources are available to support the mission. The attention given to performance helps institutions to focus planning activities on areas that require attention and where improvement is needed. The focus is generally viewed in two ways: (1) financial capacity to carry out current programs and (2) financial capacity to continue to carry out future programs.

The financial ratio analysis for OWU uses four widely accepted core financial ratios that look at sufficiency and flexibility of financial resources, management of debt, performance of assets, and results of operation. These four ratios are combined into a single index score, the Composite Financial Index (CFI), as described in the publication, *Strategic Financial Analysis for Higher Education, 6th Edition*. This method was developed by KPMG and Prager, Sealy & Co., LLC., and BearingPoint, Inc., for use in benchmarking both in private and public higher education.

Financial Ratio Analysis

Primary Reserve Ratio: Resource Sufficiency

By comparing an institution's expendable net assets to total expenses, the Primary Reserve Ratio is a clear indicator of the overall trend of institutional wealth. The ratio provides an indication of financial strength and capacity by signaling how long an institution can operate

using its expendable reserves and not rely upon other resources that are generated by operating activities. A positive growth in resources relative to expenses is favorable. Since the ratio uses Expendable Net Assets, those assets that can be accessed quickly and spent to satisfy debt obligations, it also provides a snapshot of financial flexibility. A positive trend is seen when Net Worth (assets minus liabilities) rises faster than the increase in total expenses.

Primary Reserve Ratio = Total Expendable Net Assets divided by Total Expenses

<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>
1.33X	1.44X	0.95X	0.60X	0.47X

OWU's Primary Reserve Ratio has improved from .47 in fiscal 2004 to 1.33 in fiscal 2008. The much improved ratio is well above the suggested minimum level of .40X, which experts say is desirable to provide sufficient financial flexibility and manage modest unforeseen adverse financial events such as having sufficient cash for short-term needs or unexpected facilities maintenance. The implication of .40X is that an institution would have the ability to cover about 5 months of expenses (40 percent of 12 months). The ratio tells us that OWU's expendable resources on hand have grown from 5 months in 2004 to 16 months in 2008. It indicates that OWU maintains sufficient financial capacity to protect against adverse conditions and does not need to rely upon a line of credit to help it meet cash flow demands.

Net Income Ratio: Operating Results

This ratio gauges whether operations resulted in a surplus or deficit. In other words, is the institution operating within available resources in its day-to-day function of educating students? A surplus or deficit directly impacts the amount of funds an institution adds to or subtracts from Net Assets, thereby affecting the other three core ratios: the Primary Reserve Ratio, the Return on Net Assets Ratio, and the Viability Ratio. Generally speaking, the larger the surplus, the stronger the financial performance is as a result of the year's activities. A point of caution is that if surpluses are obtained by underspending on mission-critical investments, then the surplus achieved should be questioned. A deficit in a single year does not necessarily indicate a problem, but deficits over several years are a cause for concern and can erode the institution's financial strength to the point where it may have to make major adjustments to programs and budgets. Experts say that a target of 2 percent to 4 percent is healthy. A positive return in this area would suggest that the institution lived within its means.

Net Income Ratio = Total Unrestricted Operating Income divided by Total Unrestricted Operating Revenue

<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>
5.01%	6.04%	9.14%	-0.82%	1.05%

For OWU, the Net Income Ratio improved to 5.01 percent in fiscal 2008 from its low point of minus .82 percent in fiscal 2005. The enhancement was largely due to strong operating results where the growth in revenue has exceeded the rise in expenses. The data supports that OWU's financial performance has provided for greater financial capacity and creates an ability to support its programs and related initiatives.

Return on Net Assets: Operating Results

The Return on Net Assets Ratio is an important indicator of OWU's financial position by measuring the economic return per dollar of assets. It is a gauge for longer-term operations by determining whether the institution is financially better off than in previous years by measuring total economic return. An improving trend in this ratio indicates that the institution is increasing its net assets, restricted and unrestricted, and is likely to be able to set aside financial resources to strengthen its future financial flexibility. The return on net assets should fall in the range of 3 to 4 percent above the rate of inflation. An occasional decrease in the ratio is not a cause for concern if the financial reason for the drop is understood, and if it results from an isolated financial circumstance from which the institution can recover. Plant investment, a capital campaign, or a poor stock market can all affect this ratio in any given year, but the trend over time should be positive.

Return on Net Assets Ratio = Change in Net Assets divided by Total Net Assets

<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>
2.72%	19.25%	10.08%	5.90%	9.64%

OWU's Return on Net Assets Ratio has fluctuated considerably. The ratio has ranged from 9.64 percent in 2004 to strong results in fiscal years 2006 of 10.08 percent and 2007 of 19.25 percent followed by a decline to 2.72 percent in fiscal 2008. The inconsistent strength of this ratio is guided by the fluctuating net results generated by operations.

Viability Ratio: Resource Sufficiency

The Viability Ratio is an attempt to measure overall financial health. The ratio shows the availability of expendable net assets to cover debt should there be a need to settle obligations as of the balance sheet date. Experts suggest that a ratio of 1:1 or greater indicates that an institution is healthy because it has sufficient expendable net assets to satisfy its obligations. Dropping below a ratio of 1.0 would limit an institution's ability to fund new initiatives through debt and may identify the institution as a credit risk. Strategic debt can be extremely valuable to an institution, but excessive or extended levels of debt are detrimental to an institution's well-being.

Viability Ratio = Total Expendable Net Assets divided by Long-Term Debt

<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>
3.00X	3.19X	1.95X	1.47X	1.12X

The years displayed have indicated OWU's ability to maintain and grow its financial capacity. As a result, OWU has not needed to rely heavily on debt instruments to support operating activities.

Summary

The underlying trend reflected by the ratio analysis reveals that financial performance has improved since fiscal 2004. Undoubtedly, OWU is prepared meet the day-to-day operating

challenges and much more.

Composite Financial Index

The purpose of the Composite Financial Index (CFI) is to measure an institution's financial viability by quantifying the status and sources and uses of resources; assessing the ability to repay debt; gauging performance; and providing insight relative to liquidity, leverage, and financial viability as well as a measure against specific objectives. Generally, the CFI computation uses a 5-year average to help identify and associate trends. It uses the same four ratios illustrated above to measure an institution's financial health, namely:

- Primary Ratio – expendable resources to expenses.
- Net Income Ratio – income to revenue.
- Return on Net Assets – change in net assets to total assets.
- Viability Ratio – expendable resources to debt.

For OWU, the Table below provides the CFI computation for the fiscal periods 2004 through 2008.

Fiscal Year	2007	2006	2005	2004	2003
Primary Reserve Ratio	1.33	1.44	0.95	0.60	0.47
<i>Strength Factor</i>	<i>0.133</i>	<i>0.133</i>	<i>0.133</i>	<i>0.133</i>	<i>0.133</i>
<i>Weighting Factor</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>
Net Income Ratio	5.01	6.04	9.14	-0.82	1.05
<i>Strength Factor</i>	<i>.70%</i>	<i>.70%</i>	<i>.70%</i>	<i>.70%</i>	<i>.70%</i>
<i>Weighting Factor</i>	<i>10%</i>	<i>10%</i>	<i>10%</i>	<i>10%</i>	<i>10%</i>
Return on Net Assets Ratio	2.72	19.25	10.08	5.90	9.64
<i>Strength Factor</i>	<i>2.00%</i>	<i>2.00%</i>	<i>2.00%</i>	<i>2.00%</i>	<i>2.00%</i>
<i>Weighting Factor</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>
Viability Ratio	3.00	3.19	1.95	1.47	1.12
<i>Strength Factor</i>	<i>0.417</i>	<i>0.417</i>	<i>0.417</i>	<i>0.417</i>	<i>0.417</i>
<i>Weighting Factor</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>
CFI Value by Fiscal Year	7.00	9.27	6.46	3.22	3.29

Summary

The 5-year average CFI for OWU equals 5.8. Experts have labeled a 5-year average score between 4.0 and 7.0 as where institutions should focus their resources to compete in the future by investing in activities that will further the mission. OWU's score indicates the University has the financial means to implement its strategic vision while navigating difficult economic times.

ADVANCEMENT SECTION

REPORT OF A COMPREHENSIVE EVALUATION VISIT

TO

Ohio Wesleyan University
Delaware, Ohio

March 23-25, 2009

FOR

The Higher Learning Commission

A Commission of the North Central Association of Colleges and Schools

EVALUATION TEAM

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I. OVERALL OBSERVATIONS ABOUT THE ORGANIZATION

The mission of Ohio Wesleyan University (OWU) is clearly articulated, and unified support is evident through the Board's commitment, the new President's leadership, and the faculty and staff's collegial responses to the Team's questions regarding the institution's operations. The faculty and staff are enthusiastic about the President's strategic vision and are well-equipped to finish off the strategic planning components. The Team concurs with the Self-Study Report and with the current comments heard while on-site from faculty and staff that the institution will exercise its opportunity to become a premier liberal arts institution. The Self-Study Report, the Fall 2008 Update Report, and the confidential draft discussing the President's Strategic Vision allowed for the Team to interpret a significant paradigm shift was underway at OWU. The University's Trustees are willing to invest and make mission-driven decisions that will advance OWU as a premier liberal arts college. Their commitment is grounded to the President's vision for OWU to offer a "21st century liberal education that enriches the life-changing education offered to OWU students." The Team believes the early acceptance of the strategic vision has had a positive effect on morale and will enable OWU to move forward and to experience growth and financial success that will be guided by the emerging strategic guidelines relative to the mission.

OWU's significant changes noted by the Team during the 2009 visit are:

- Investigating curriculum enhancements that will offer a transformational education experience blending theory and practice (Art & Science Group).
- Development of policies to enhance and strengthen the Board's oversight (advisor and self-assessment).
- A fairly new Administrative Team that is focused on doing the best they can and well-versed in postsecondary education.
- Engagement at all levels of OWU to deliver superior performance and to enhance students' co-curricular opportunities.
- The merging of facilities planning with academic planning which will contribute to a long-lasting and sustainable campus community.
- OWU's rich traditions joined with cultivation efforts for deeper ties with the surrounding community and increasing exposure to global communities to broaden its resource engine.

Based on the 2009 comprehensive evaluation visit, the Team sees the following observations as continuing areas of challenge for OWU:

- Maintaining an ongoing focus on the operations and procedures and provide attention to fully develop a strategic planning process aligned with the vision and

mission that will serve to balance annual needs and long-term projections, integrate an unfolding campus master plan, and provide adequate support for academic and non-academic efforts.

- Advancing supportive practices that will assist the Board in reaffirming its mission and its function by formulating long-term direction and enacting positive change through identifying issues that will affect tomorrow's decision making and developing criteria in which to measure itself and evaluate the president.
- Developing a plan that addresses deferred maintenance, particularly with regard to the residence halls, which will enhance OWU's campus community.
- Developing an effective Human Resource support service that provides for valuable orientation and evaluation procedures, professional development opportunities, and consistent implementation of university-wide policies and procedures.
- Assessing OWU's enterprise information system to ensure adequate support for the university-wide aggressive initiatives.
- Expanding the budget development processes to assist in guiding annual priorities and recommendations as well as linking multi-year economics to the emerging ambitions and initiatives.

II. CONSULTATIONS OF THE TEAM

Board of Trustees:

1. OWU holds as part of its investment portfolio alternative investments that can consist of hedge funds, limited partnerships, private equity and natural resources and are not readily marketable. These types of investments are not publicly traded, and ensuring that the University has processes in place to support the value of the investment is an important internal process. The Team understands that the University's investment consultant provides due diligence in the selection of an investment and ongoing monitoring and provides documentation of the process to the University. The Team concurs with the University's auditors, Maloney & Novotny, LLC, and their comment that the University review due diligence processes on alternative investments. The Team recommends the Investment Subcommittee of the Board adopt the AICPA practice aid issued in August 2006 that provides significant guidance and clarification in regards to auditing concerns around valuation and transparency of alternative investments. Within this practice aid is documentation recommending *best practices* in the areas of due diligence, monitoring, and reporting. While the Subcommittee does rely on its investment consultant, ultimately the valuation and monitoring are the responsibility of the University.

The recommendation is that the Subcommittee consider the following steps to strengthen investment processes and controls and to ensure that they are operating in a best practices mode where the valuation and monitoring of alternative investments are concerned:

- Compare the appendix of the AICPA practice aid with the current investment policy and ensure that elements related to due diligence, monitoring, and reporting of alternatives are included or covered by the policy if needed.
- Obtain documentation of the due diligence and monitoring utilized by the investment advisor. In addition, obtain an understanding of the process the advisor goes through in valuing the investment on an ongoing basis.
- Review and compare audited financial statements to the values reported by the advisor. (this would be after the fact since most audit reports are received 6-8 months after the year end of the investment).
- Ensure that the audit report has an opinion signed by a reputable firm and shows the underlying securities held by the investment cannot show “pooled investments” with no disclosures.
- Obtain K-1’s and also compare to value reported as of that date.
- Obtain an understanding of the investment strategy and performance benchmarks of the investment and monitor based on quarterly or monthly performance and research reports prepared by the investment advisor.
- Obtain interim statements from the investment and compare to the amounts recorded by the advisor.
- Maintain all documentation related to each investment including copies of email communications.

Planning:

1. With the appointment of a VP for Student Affairs and the emphasis on student growth and development, the quality student life on campus, and more intentional learning environments in the residence halls, there will be a greater need for the use of assessment to determine if learning goals have been achieved. The NSSE and CIRP instruments could provide some valuable baseline data, but instruments developed from a specific theoretical model such as Chickering’s theory of student development could be very useful, especially since OWU is emphasizing student growth and development in their strategic plan. The National Association of Student Personnel (NASPA) is developing a comprehensive assessment plan and model designed for small colleges and universities at a very competitive price. This program for assessment could prove to be invaluable for OWU when assessing student learning outside the classroom with data

that can be compared to schools of similar size and selectivity.

2. OWU has effectively used a number of external reviews of its operations as a foundation for its current planning process. In addition, the University has expanded both its institution-wide research and assessment capabilities and the research and assessment capabilities within specific sectors. It now is challenged to find a way to continue the data-based decision making that has resulted from these activities.
3. It will be helpful for the University to design an integrated process for connecting these assessments so that OWU can measure its accomplishments and refine and improve institutional processes. OWU might consider the criteria used in the various external reviews of its operations and determine which data should continue to be collected and by whom. For example, how will the University assess progress in its human resource (HR) functions as it implements the recommendations of the HR audit? Several staff suggested that some types of systematic campus-wide surveys be conducted in the future so that the good information discovered through the human resources audit does not get lost. An integrated assessment process also might include periodic and systematic function reviews across the University.
4. OWU's commitment to teaching and learning is clear and strong. The on-going improvement of teaching and learning depends upon consistent and intense processes of faculty formation. OWU has many of the appropriate practices in place to support such formation, but they are dispersed throughout the institution and would benefit from some type of centralization, at least for the purpose of coordinating different activities and approaches. For example, greater coordination between the provost, the academic dean, and the Faculty Personnel and Teaching, Learning, and Cross-Cultural Programming Committees might provide fruitful ways first to identify a faculty member's deficiencies as a teacher and then to empower him or her to improve through specific faculty development activities. Some sort of centralization could counteract any tendency for varied levels of quality in formation practices at the departmental level.

Some institutions address this need for coordination through the establishment of a teaching or faculty development center, others through the creation of an administrative position specifically dedicated to faculty development. Some such coordination might productively complement revisions to new faculty orientation and faculty evaluation practices. For example, discussion of peer observations from classroom visits might become part of a course or teaching portfolio that in turn a department chair, the academic dean, or an associate dean for faculty development might use to suggest activities for the improvement of particular deficiencies. Finally, a clear, well-developed definition of excellent teaching would provide an institutional standard to which faculty

members hold themselves. Such a statement could appear in the Faculty Handbook or among other institutional documents.

Finance:

1. OWU should consider using the Composite Financial Index (CFI). The CFI is a single measure of the overall financial health of an institution and provides a more comprehensive picture of the financial health of the institution at a point in time than is possible by simply comparing multiple indicators. Examining the trend of an institution's CFI score over an extended period offers a more stable long-term view of an institution's financial performance, given fluctuations in institutional conditions, and external circumstances, such as market performance.

The CFI includes four commonly used financial ratios:

- Primary Reserve Ratio – A measure of the level of financial flexibility
- Net Operating Revenues Ratio – A measure of the operating performance
- Return on Net Assets Ratio – A measure of overall asset return and performance
- Viability Ratio – A measure of the ability to cover debt with available resources

Once each of the four ratios is calculated, the relative strength of the score, or strength factor, and its importance in the mix of creating a composite score, or weight, are computed. The result is one weighted score for each indicator that when added together produces the Composite Financial Index. The strength factors and CFI score are standardized scores that fall along a scale of -1 to 10. A CFI score of 3 is the threshold of institutional financial health. A score of less than 3 indicates a need for serious attention to the institution's financial condition. A score of greater than 3 indicates an opportunity for strategic investment of institutional resources to optimize the achievement of institutional mission.

The 5-year average (fiscal 2004 – 2008) CFI for OWU equaled 5.8. Experts have labeled a score between 4.0 and 7.0 as indicating that institutions should focus their resources to compete in the future by investing in activities that will further the mission.

The CFI methodology was developed by KPMG, Prager, Sealy & Co., LLC, and BearingPoint, Inc. (see Prager, F. J., Cowen, C. J., Beare, J., Mezzina, L., Salluzzo, R. E., Lipnick, J. & Tahey, P. (2005). *Strategic Financial Analysis for Higher Education*. (6th ed.): KPMG, Prager, Sealy & Co., LLC, and BearingPoint, Inc.).

Faculty:

1. Faculty express appreciation for the annual event sponsored by LIS that features faculty publication and scholarship, and the event demonstrates the collegiality that exists across campus sections. Faculty are pleased to hear the president and other senior administrators are interested in greater recognition of faculty scholarly and creative achievement as well; these would be good steps to take. However, there are compelling reasons to do even more. First is the impact on students, who benefit immensely by seeing their professors model the kinds of scholarly and creative work that they aspire to and who would further benefit from being mentored by faculty who are continuing to experience the excitement and challenges of scholarly and creative projects. Second, given OWU's aspirations and comparison cohort among liberal arts colleges, the level of faculty achievement by the OWU faculty as a body cannot be ignored. Third, faculty scholarship and scholarly achievements would be of significant interest to alumni, trustees and friends of the University, and in a number of cases would also build bridges that would serve the University and its students. Finally, the University would demonstrate integrity between its public commitments and its practice by providing greater recognition of faculty scholarship and creative work.

Specifically, three changes are worthy of consideration to promote these goals. The first, restructuring the promotion system such that longevity does not substitute for an acceptable level of scholarly or creative achievement, will take considerable discussion among faculty and consideration of the related issues of the non-overlapping salary structure. The second, awarding sabbaticals on the basis of meritorious applications and demonstration of satisfactory outcomes, will not only bring OWU into line with its peer institutions and model accountability for students but will be an excellent training ground for faculty to develop competitive applications for external grants. The third, adding a simple routine listing of faculty scholarly and creative achievements in venues such as the OWU magazine, will be relatively easy to achieve and provide high-level returns quickly. In each case, the practices at peer institutions will provide a variety of models to choose from and adapt as appropriate at OWU.

2. A model of new faculty orientation that would be relatively easy and cost-effective would combine a somewhat enhanced workshop prior to school with a set of ongoing opportunities open to faculty during their first several years at OWU. The opening workshop might include:
 - An introduction to the history and mission of OWU.
 - An introduction to liberal arts education in general and at OWU in particular.

- An introduction to the key aspects of effective teaching that are expected of OWU faculty by students and in faculty evaluation.
- Information about the library, technology resources, and learning resources.
- A brief description of upcoming resources to support new faculty.

Such opening workshops are most effective if they are discussion-based, include interaction with the president, provost and key faculty leaders, and include opportunities to move about campus (for example meeting in different settings for various sessions). Well-organized handouts are essential to keep new faculty from feeling overwhelmed. Plentiful informal time to get to know the other new faculty pays big dividends as well.

A simple model for ongoing “new faculty orientation” combines bi-monthly sessions (with voluntary attendance) with an electronic file of notes from the discussion so that faculty can refer back to materials later or those who cannot spare the time to attend are also being served. A good model involves focusing on teaching issues in the fall and moving to research, service and advising topics in the spring.

The sessions work best when they focus on concrete issues of immediate concern to new faculty: engaging students in discussions, providing feedback on student writing, constructing good exams, incorporating departmental learning goals into courses, etc. If the provost “hosts” the sessions, it demonstrates clear commitment to the welfare of new faculty and enables the provost to ensure that the messages new faculty are receiving are consistent with expectations for faculty evaluation and OWU’s mission and culture. A faculty member with expertise on the chosen topic can lead the discussion by sharing several key points from his/her own experience. Ensuring that the sessions are discussion-based with plenty of time for questions and discussion makes them most effective. From the discussion, someone (an associate dean?) can abstract a short set of “take-away” points that get posted electronically. Keeping the sessions, ideas and handouts reasonably focused helps new faculty take away a few useful ideas from each session. In many cases, a minority of the new faculty will make/have the time to come, but with a well-organized set of handouts available electronically, the program will still reach its target audience and the sessions themselves will be more interesting because they can focus on the specific questions of the individuals who attend. While the sessions are aimed primarily at first year faculty, if the group has a name that suggests inclusion of faculty in their first several years at OWU, it will enable faculty struggling with particular issues to drop in or check on resources when appropriate. While senior faculty will likely express a desire to participate in such sessions, their participation often deters newer faculty members from feeling free to disclose their questions and struggles.

- By creating a simple model that can evolve informally and easily, the University can provide a lot of opportunities and support for new faculty with a limited amount of time and investment. Given the commitment of OWU to teaching, this would be worthwhile and consistent with the skills and experience of the academic affairs and faculty leadership.
3. OWU has an extremely generous early retirement plan for faculty. It would be worthwhile to consider the benefits to the institution of using these resources in alternative ways in light of competing needs. Normally, retirement plans are created with specific institutional goals in mind (sometimes financial, sometimes strategic in terms of where resources are better allocated, sometimes personnel-based). Given the lack of a mandatory retirement age, the demographics of the OWU faculty, the University's mission and strategic needs, and the resource challenges that all institutions face, it would be worthwhile to discuss institutional priorities and reevaluate this plan in light of competing needs.
 4. The thoroughness of the OWU faculty evaluation process is impressive, but in light of the demands on faculty time, it is worth asking whether there are ways to simplify or streamline the process without significantly reducing the effectiveness of the evaluations. For example, some colleges have department chairs and the provost evaluate the faculty member in the first year (using appropriate materials such as course evaluations, etc.), with faculty committee reviews occurring in the second, fourth and sixth (tenure) years. Some colleges do more limited reviews in the first and second years as a prelude to a major third year review that either indicates successful progress toward tenure or, barring evidence of success, a final fourth year. Some colleges do reviews annually up to the third year but then schedule no additional reviews until tenure unless something from the third year requires follow-up, and then a focused review is done rather than a full review. In light of a growing faculty and the demands on time for faculty and administrators alike, making choices about where to invest time is a wise and life-giving choice for everyone involved.
 5. While reducing the student/faculty ratio is never a bad thing, it may not only be a luxury at this point in OWU's history. It may also deflect attention from the critical question facing higher education: what do we want our students to learn and how do we organize our programs. Once learning and programmatic goals are established, then staffing questions come into play. Given the cost of hiring tenure-track faculty and the competing goals of raising salaries and providing additional resources to support teaching and learning, focusing on further reductions in the student/faculty ratio may not be the most effective way to produce gains in student learning.

6. The Academic Policy Committee could play a significant role in strengthening student learning on campus by incorporating discussion of, and possibly approval of, student learning goals for the programs that it reviews. Currently, the committee approves positions and courses, each of which impacts student learning and is related (at least implicitly) to learning goals. If student learning goals were not only an explicit part of the discussion but the central focus of decisions, the committee could foster greater coherence and effectiveness for each academic program at OWU.
7. OWU can proudly claim membership in the Great Lakes College Association and the Ohio Five group but might consider the benefits of broadening its benchmarks for comparison purposes. Which institutions (in these groups and beyond) are OWU's chief competitors? Which institutions are truly peers, with comparable missions, resources and other dashboard indicators? Which institutions are aspirational? The benefit of widening its comparisons might provide greater awareness of current trends and methods that could prove useful in understanding OWU's circumstances, solutions to pressing problems, untapped opportunities, and areas of significant strength.

Other Brief Comments:

- The campus community should continue to show its endorsement and trust for the new executive team as they confront difficult decisions in implementing the strategic plan.
- OWU should continue to promote a culture for change and how it relates to the emerging strategic vision and the shared development of a strategic planning process.
- OWU should continue its work toward increasing transparency and efficiency in the sharing of communication and information.
- OWU should consider co-sponsorship of reviewing academic programs and support services to identify appropriate allocation of resources and to help preserve and reinforce its uniqueness as a distinct advantage.

III. RECOGNITION OF SIGNIFICANT ACCOMPLISHMENTS, PROGRESS, AND/OR PRACTICES

OWU's system of "student boards" in academic programs is exemplary. Each student board is composed of elected students with representatives from all classes, and typically includes a number of majors and minors. The student boards have defined roles in faculty searches and play a major role in the evaluation of faculty in that program. The Personnel Committee relies on input from the student boards in addition to course evaluations in making their

judgments. The Team heard nothing but praise from faculty about how the student boards work, including many reports of the seriousness and depth of engagement with which students approached their assignments. A university that has not only established this practice but created a culture among the student body that ensures its success merits recognition.

*Team Recommendations for the
STATEMENT OF AFFILIATION STATUS*

INSTITUTION and STATE: : Ohio Wesleyan University, OH

TYPE OF REVIEW (from ESS): Continued Accreditation

DESCRIPTION OF REVIEW (from ESS):

DATES OF REVIEW: 3/23/09 - 3/25/09

Nature of Organization

LEGAL STATUS: Private NFP

TEAM RECOMMENDATION: no change

DEGREES AWARDED: B

TEAM RECOMMENDATION: no change

Conditions of Affiliation

STIPULATIONS ON AFFILIATION STATUS: None.

TEAM RECOMMENDATION: no change

APPROVAL OF NEW DEGREE SITES: Prior Commission approval required.

TEAM RECOMMENDATION: no change

APPROVAL OF DISTANCE EDUCATION DEGREES: Prior Commission Approval Required

TEAM RECOMMENDATION: no change

REPORTS REQUIRED: None

TEAM RECOMMENDATION: Progress report due 11/30/11 on strategic planning and its link to multi-year budgeting and on the alignment of mission and vision to planning and resources

OTHER VISITS REQUIRED: None

TEAM RECOMMENDATION: none

Summary of Commission Review

YEAR OF LAST COMPREHENSIVE EVALUATION: 1998 - 1999

YEAR OF NEXT COMPREHENSIVE EVALUATION: 2008 - 2009

TEAM RECOMMENDATION: 2018 - 2019
