SAYBROOK UNIVERSITY

SPECIAL VISIT INSTITUTIONAL REPORT

SUBMITTED TO
WSCUC
JULY 7, 2014

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1. **Context of Visit and Report Structure**

This Special Visit addresses two actions by the WASC Senior College & University Commission (WSCUC). The first action was a response to a follow-up Interim Report submitted by Saybrook on November 3, 2012. The Commission scheduled a Special Visit to focus on three areas: 1) strategic agenda, 2) financial strength and sustainability, and 3) enrollment management. The second action was a response to a Structural Change Proposal for a change of control. Following review of that proposal and the report of the related visit, in February 2014 WSCUC approved Saybrook University's affiliation with the TCS Education System (TCSES). This change of control necessitated a follow-up visit to review the progress on the affiliation. The Commission directed the follow-up visit to focus on Saybrook's Board of Trustees, governance, mission, financial sustainability, and faculty issues. The WSCUC staff decided to combine the previously scheduled Special Visit with the follow-up Structural Change visit.

Combining the recommendations from these two Commission actions resulted in the following issues to be addressed in this report and the visit:

- mission
- faculty issues
- strategic agenda status
- financial strength & sustainability
- enrollment management
- Board of Trustees composition and governance

To address these issues and additional salient matters, given the number of changes that Saybrook has undergone during the past three years, the report is structured as follows:

Overview

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2. **Overview**

Saybrook University is a private, non-profit institution of higher education, located in San Francisco, California, with an additional campus site in Kirkland, Washington. The mission of the university "Saybrook University provides rigorous graduate education that inspires transformational change in individuals, organizations, and communities, toward a just, humane, and sustainable world" drives our goal of becoming the premier humanistic university globally graduating scholar-practitioners who promote transformational change.

The university continues the mission and vision of the Saybrook Institute, originally founded in 1971 as the Humanistic Psychology Institute within Sonoma State University. Saybrook became a separate institution in 1971. A product of the idealistic aspirations of Abraham Maslow and other late 1960's psychologists wanting to make a real difference in the world, the original institution promoted a humanistic vision focusing on the potential to live full and meaningful lives as individuals as well as creative community members. That focus has continued to this day, including current President Mark Schulman's call to action for Saybrook to be the institution where we address the question "What does it mean to be human in the 21st Century?"

From its beginning, Saybrook has provided a blended combination of distance and face-to-face instruction in a non-traditional, learning-centered environment for advanced studies. Considered low-residency programs, the Psychology, Human Science, Organizational Systems, and Mind-Body Medicine programs offer Master's, PhD, and, in Psychology, PsyD degrees. These programs typically include a four-to-five-day face-to-face residential conference at the beginning of each semester. Following the residential conference, these programs vary in their use of online learning from web-enhanced to fully online courses that connect with the residential conferences. The master's degree programs offered in the Seattle area are high-residency, site-based programs, and use online learning technologies to support the residential components of the two programs: Organizational Systems: Specialization in Leadership and Organization Development and Psychology: Specialization in Counseling. None of Saybrook's programs are 100% online.

In March 2014, Saybrook entered into a WSCUC-approved affiliation with TCS Education System. The goal of Saybrook's affiliation with TCSES is to bring together the core competencies of both organizations to deliver quality programs that provide an excellent experience and outcome for Saybrook students. Among the advantages this affiliation brings to Saybrook is the opportunity for faculty and staff to focus on improving academic quality and expansion of its humanistic mission and vision through program growth. Greater attention to this institutional priority is possible through the operational efficiencies and robust infrastructure offered by TCSES in the areas of:

1. Information Technology
2. Student Academic Support
3. Recruitment and Admissions Operations
4. Online Course Development and Instructional Design Services
5. Academic and Accreditation Expertise
6. Marketing

7. Legal and Compliance
8. Finance
9. Human Resources
10. International Outreach

We have already seen the positive impact of the affiliation, with identifiable outcomes in each of the ten areas (Appendix A – Positive Impact of Saybrook-TCSES Affiliation).

3. **Organizational Pressures, Changes, & Resulting Climate at Saybrook**

The general economic and higher education climate, the affiliation with TCSES, along with numerous internal changes occurring at Saybrook over the past five years, have naturally resulted in concerns for and very close attention to Saybrook's identity, financial health, and the organizational climate for our students, faculty and staff. In addition to the externally driven pressures, Saybrook has undertaken a number of initiatives that have impacted our organizational life and emotional climate. Overall the resilience and continuing "can-do" attitude of staff and faculty are impressive. The significant concerns, changes, impacts, and results are described here.

3.1. University mission

One expressed fear has been that Saybrook's mission would somehow be changed in response to external conditions and/or the TCSES affiliation. This has not happened and is not likely to happen. The affiliation is expected to make Saybrook stronger and thus able to better fulfill its mission. The Board of Trustees continues to affirm the mission (Appendix B – Saybrook University Board Minutes). The two new programs that we are launching in January 2015, as well as programs in development or awaiting approval, are carefully aligned with our mission. TCSES is focusing its mission and its vision for the future on institutions that come from an "alternative" tradition focused on transformational change (Appendix C – TCSES Board Minutes; TCSES Vision 2020 DRAFT expected to be available in the Team Room). The branding work that is underway with the TCSES marketing division has already reinforced Saybrook's emphasis on transformational change that results in humanistic and sustainable outcomes for individuals and organizations. All evidence points to increasing support for Saybrook's mission and presence in the world (Appendix D – Saybrook Branding & Marketing Research).

3.2. Finances

The overall financial health of Saybrook is starting to stabilize as we address the trailing financial challenges of the past and move into a new more sustainable future with TCSES (Appendix F – Saybrook Audit Fiscal Year 2012-2013). As of May 31, 2014, Saybrook's new fiscal year end, the institution's balance sheet remained strong with unrestricted cash and investments totaling $6.6 million. These assets and the $15 million dollar line of credit that Saybrook has access to through TCSES, will provide more than sufficient liquidity for the foreseeable future.

On March 4, 2014, Saybrook entered into the affiliation agreement with TCSES. TCSES accounted for this transaction using the purchase method of accounting. As a result, Saybrook marked its assets and liabilities to a current fair value and recorded an opening balance sheet using these valuations. The revaluations and operating results through March 4, 2014 resulted in an increase to net assets of $3,344,821 from the $5,119,379 at August 31, 2013 thus totaling $8,464,200 on March 4, 2014. For the period from March 4, 2014 to May 31, 2014, Saybrook's estimated Board-approved deficit was approximately $350,000, which was covered by reserves. The bulk of the deficit is attributable to the fact that we did not enroll a spring cohort in our two Seattle-based MA programs. To illustrate the operating results that Saybrook would have reported for a full fiscal year ended May 31, 2014, we have included as Appendix F a pro forma financial statement showing an expected loss of

approximately $930,000 for that fiscal year. The draft audit for fiscal year 2013-2014 is expected to be available by the team visit.

We are starting fiscal year 2014-2015 with a planned and Board-approved $961,000 deficit, of which $650,000 is the result of the Spring 2014 cohorts not enrolled in the Seattle-based residential programs. $310,000 is directed toward increased marketing and strategic initiatives. (Appendix G – Saybrook Budget 2014-2015). We are managing this budget very carefully and have developed and planned for best-case and worst-case scenarios in preparation for a full range of possibilities. This is addressed further in the section below on financial sustainability and enrollment management.

3.3. TCSES Affiliation

In April 2013, Saybrook began exploring the possibility of affiliating with TCS Education System. With the approval of the affiliation by WSCUC in February of 2014, the affiliation documents were signed by the respective Boards of Trustees to finalize the affiliation, effective March 4. Planning for the integration of Saybrook with TCSES began immediately. A project plan was developed within three weeks and the first official transition planning and implementation meetings were held the week of March 24, 2014. This project plan aimed to complete an estimated 80 to 90 percent of integration by September 1, 2014 with the remainder to be worked through over the next 12 to 18 months.

For the first 120 days of integration, the primary focus has been on:

- the migration of Saybrook's student information system from an in-house developed software system to the CampusVue enterprise resource planning system,
- the migration of the Moodle learning management system courses and community shells to the Canvas learning management system,
- the migration of Saybrook's business office processes to TCSES, and
- the migration of Saybrook's financial aid processes to TCSES.

This ambitious plan has created significant pressure on Saybrook staff and faculty. At the same time, it has provided an opportunity for staff and leadership at TCSES and Saybrook staff, faculty, and leadership to begin developing the collaborative working relationships that are necessary to fully implement the new affiliation and sustain it successfully. Each of these migrations is on schedule -- each project is expected to be completed on time before the fall semester starts in August 2014. Feedback from all participants in the process has consistently described the highly skilled, collaborative and participatory characteristics and activities of everyone involved and the overall positive response to the process, auguring well for the future of the affiliation.

3.4. Move to new location

Saybrook has leased and occupied the 747 Front Street, San Francisco, CA location since 2004. The lease was set to end July 31, 2014. During fall of 2013, we began evaluating the possibility of remaining at Front Street or moving to a new location. The Saybrook staff was surveyed to identify important parameters to consider when reviewing potential locations. A committee of staff members led by the CFO reviewed possible locations and the CFO examined possibilities for remaining at Front Street. It quickly became apparent that staying in San Francisco would approximately double our lease costs. As a result, the committee began exploring locations outside of the city but still in the San Francisco Bay area.

After several months of searching, the committee recommended several locations in Oakland. With a decision in favor of one location and the development of a proposed lease, the President approved and recommended the lease to the Board of Trustees. With the Board's approval, Saybrook entered into a lease agreement for space at 475 14th Street in Oakland, CA, with a move-in date of August 1,

2014. This space met nearly all the parameters identified by staff in earlier surveys, especially being close to public transportation options (both bus and subway). The staff has been consulted on a wide range of aspects of the build-out of the new space. Recognizing the pressure this move would place on staff, we contracted a full-time project manager to plan and manage the move, in order to minimize the disruption and direct impact on employee resources. Our first day to work in the new location will be Monday, August 4, 2015. As a result of hiring a project manager, the direct impact of the move process on staff has been minimized. By the time of the visit, we will be in an improved space that will include advanced audio-video technology for classroom use, in anticipation of having some of our face-to-face events onsite.

3.5. Presidential transition

The current president's contract was set to expire in August 2015. Because he expressed his intent not to continue beyond that date, Saybrook's Board of Trustees decided to begin the process of searching for a new president. At the same time, the CEO of TCS Education System offered Saybrook's president the opportunity to transfer to the TCSES system to work on the strategic initiatives for TCSES. With the President's agreement to accept the TCSES offer, Saybrook's Board decided to initiate a presidential search process immediately.

A Board member was selected to chair the presidential search. The Board hired Summit Solutions to provide search expertise and support, work with the search committee, and facilitate the process. The search committee included board, faculty, student, staff, and TCSES representation. The Search Committee met for the first time on April 28, 2014. Well over 100 candidates from across the nation submitted applications, and our search committee and/or consultants interviewed over 50 of them, narrowed the search down to five candidates, which it interviewed in person, and then to two finalists. The two finalists undertook another round of interviews that included interviews with staff and faculty. Staff and faculty completed surveys about each candidate to provide feedback for the Board of Trustees' consideration. The search committee made its recommendation to Saybrook's Board of Trustees.

The Board of Trustees met on June 16, 2014 to review all available information and consider the committee's recommendations. The Board of Trustees voted to offer the presidency to Nathan Long. The offer was accepted and Dr. Long will assume the presidency of Saybrook University on September 1, 2014. Dr. Long will be present to meet the team during the Special Visit. A transition plan is being developed by the Board Chair, the current president, and the incoming president. As part of that plan and to ensure as smooth a transition as possible, Dr. Long will arrive at Saybrook on August 4, 2014 to work with President Schulman, get to know Saybrook, meet the various constituencies, observe the WSCUC Special Visit, and participate in other Saybrook activities. Although this intensive transition process has increased workload and pressure within the organization, anecdotal evidence suggests the overwhelmingly positive support for Dr. Long has alleviated some of that pressure and motivated a focus on the positive possibilities associated with a new leader at Saybrook.

3.6. Students

Saybrook's students have been the constituents least directly affected by the organizational climate and the TCSES affiliation. Our annual student satisfaction survey completed this spring showed continuing improvement in student satisfaction on many dimensions (Appendix H – Saybrook Student Satisfaction Survey Comparison of Key Indicators). Qualitative data from the survey show that financial matters still continue to be one of students' greatest concerns. Students have expressed some concern about whether the affiliation will result in changes in degree offerings, services provided, or other matters of special interest to students. We continue to communicate frequently

with students about how the degree offerings will grow and services will improve. To further this effort, we have developed a student communication committee with representatives from TCSES, Saybrook administration, and Saybrook faculty to develop and implement a communication plan that will keep students up-to-date on all pending changes as Saybrook further integrates with TCSES.

3.7. Faculty

Saybrook's faculty has expressed both caution and hope about current conditions and the TCSES affiliation. Faculty members are anxious about how our financial health will evolve, whether they will receive multi-year contracts, and whether the affiliation will truly improve working conditions and other faculty-related policies, processes, and support. Even with the expressed concerns, faculty members are working hard, contributing on all fronts, and collaborating on the integration. In addition, while these activities have been underway, the faculty has undertaken and/or completed other projects critical to the future of Saybrook. One is a Faculty Worklife Reinvention project that has defined an approach to workload and the activities of the faculty that awaits financial modeling by the CFO and Provost before implementation. Another is an Academic Program Prioritization project that will wrap up in September. This project will provide recommendations from the faculty for resource allocation toward enhancement, maintenance, or termination of academic programs. Another has been the submission to and approval by WSCUC of two new master's degree programs that will launch in January, and proposals developed for five additional new programs expected to be approved and launched in the next 12 to 18 months.

The Structural Change visit team expressed concern that the nature of the control relationship between Saybrook and TCSES is not well understood by the faculty. At a system level, TCSES has begun to address this in part across all its affiliates by developing and sharing a Management Framework document to clearly delineate boundaries of responsibility and authority between TCSES and each affiliate (Appendix I, TCSES Management Framework). At the institutional level, during Saybrook's initial integration effort, faculty members have been involved in many aspects of the integration work. Teams of Saybrook faculty and staff have worked collaboratively with TCSES staff as we negotiate the boundary between decisions that reside with TCSES and those that reside with Saybrook. This has been particularly relevant as we have transitioned from our previous learning management system to the Canvas learning management system that is used across the TCSES institutions. Challenges have arisen along the way, including mismatched expectations, limitations on resources, and unclear decision-making processes, which is expected as two large systems work to integrate. Together, we have identified those challenges as they occur and have addressed them. The key outcome of this process is that those problems have been negotiated to conclusion with give and take by all participants, demonstrating the locus of decision-making authority and the collaborative approach to the affiliation.

3.8. Staff

The staff responses to the affiliation and the resulting climate for the staff have been mixed. Saybrook's staff employees have been the stakeholders most directly impacted by the affiliation, and they have responded by doing outstanding work. The integration work for the affiliation has been and continues to be intense and demanding even while current job functions have to be completed. In addition, shortly after the affiliation agreement was signed, from a total of 45 Saybrook staff positions, we identified 13 staff positions whose functions would be transferred to TCSES, resulting in termination of 12 staff members at Saybrook and one staff member joining TCSES and working system wide.

By March 30, we informed each of the affected staff members whose positions would be eliminated. Most of those positions were expected to end in mid-July and each employee was given a minimum of six weeks' notice once the exact termination date was set. Each affected employee was notified about the severance package that she or he would receive. We have continued to communicate about this change in an open and transparent manner throughout the integration work. At this point, all staff members whose positions will be eliminated have been informed of their termination date. Naturally, it creates emotional strain for the staff members who remain, seeing their colleagues and friends having to move on. However, even in the face of the pressures described, the staff continues to keep all regular work and integration projects on schedule, producing exemplary outcomes. We expect the stress and strain to be alleviated following the completion of our August semester start, when the bulk of the integration will be completed, we will have gone through many of our processes in the new systems, and we will be settled into our new offices.

4. **Saybrook's Strategic Agenda & Strategic Planning**

    One historical concern about Saybrook has been with our commitment to strategic planning and implementation of plans. On the last Special Visit, we illustrated how we had updated the previous strategic plan to create a Strategic Agenda as a bridge toward a new Strategic Plan to be developed during 2015. The Strategic Agenda continues to be our guide for strategic priority-setting and decision-making. As is illustrated below, we have successfully taken actions toward the goals of the Strategic Agenda and made adjustments where necessary to incorporate previously unanticipated major influences and actions, including the TCSES affiliation.

    4.1. Strategic Agenda 2012-2016

    Saybrook's Strategic Agenda 2012-2016 is titled "Bolstering What We Have, Aligning Ourselves For Growth" and was developed with the following five goals, each of which has several specific outcomes (Appendix J - Saybrook Strategic Agenda 2012-2016).

    - Establish and assert a consistent University identity and structure.
    - Foster academic excellence.
    - Hone just, humane and student-centered administrative practice, policies, and structures.
    - Achieve and sustain robust financial strength.
    - Develop a University community that supports and advances cultural inclusion.

    The President reported the progress on Strategic Agenda 2012-2016 to the Board of Trustees at its January 2014 meeting (Appendix K - Saybrook Strategic Agenda 2012-2016 Update). Considerable progress toward the five strategic goals includes the following significant milestones.

    - Establish and assert a consistent University identity and structure.
        - Realigned all programs into four schools to achieve a coherent academic structure.
    - Foster academic excellence.
        - By eliminating some senior administrative positions, consolidating authority in some positions, and creating stronger administrative support positions, shifted resources to direct program support.
    - Hone just, humane and student-centered administrative practice, policies, and structures.
        - Reorganized the Enrollment Management unit based on best practices.
        - Initiated the faculty work-life reinvention project.
    - Achieve and sustain robust financial strength.
        - Achieved largest enrollment in Saybrook history in Fall 2013.
        - Submitted two new programs to WASC for approval.

- Develop a University community that supports and advances cultural inclusion.
  - Directed all faculty and staff hiring to take inclusiveness into account.
  - Grew international efforts in Mexico, China, and Japan.

In addition, the President recalibrated the Strategic Agenda to identify six priority tasks in light of the then-pending TCSES affiliation. Those priorities and their current status are described here.

- Accomplish pending regulatory approvals
  - All pending regulatory approvals accomplished except authorization by California Bureau for Private Postsecondary Education (BPPE). This application has been submitted and awaits response from BPPE, which has a substantial backlog, thus no specific timeline has been established.
- Integrate Saybrook with the TCS Education System
  - Integration plan developed and in process. Integration work on schedule at 90 days and currently will continue to be on schedule at 120 days.
- Vigorous program development
  - Two new master's degree programs approved and will launch in January 2015. Five new program proposals are either completed or close to completion and, if approved, expected to launch during 2015.
- Complete the Academic Program Prioritization Project
  - The Academic Program Prioritization Project is underway with all criteria and data defined, and, is expected to be completed during September 2015.
- Complete the Faculty Worklife Reinvention Project
  - The Faculty Worklife Reinvention Project has produced a final report and a proposal that awaits financial modeling by the CFO and the Provost.
- Initiate planning process for post-Strategic Agenda
  - This is on track, see next section.

4.2. Strategic Plan 2016 and beyond.

The current strategic plan (Strategic Agenda 2012-2016) will take us into spring 2016. In addition, our WSCUC regional reaccreditation process begins with the off-site review in fall 2015. We expect to select a consulting group during fall of 2014, involve Saybrook communities and stakeholders during winter 2014-15, and then begin a community-wide, inclusive strategic planning process during 2015. This process will incorporate what we have learned from our current strategic plan and what we learn in planning for reaffirmation of accreditation. This strategic planning process is expected to be completed during 2016.

4.3. Academic Growth Initiatives 2013-2016

The Saybrook Academic Growth Initiatives 2013-2016 (Appendix L - Saybrook Academic Growth Initiatives 2013-2016) outline a series of anticipated new programs and projects to support increased enrollment, our improved quality and processes, and the evolution of the schools that house our programs. The current status of academic growth initiatives can be seen in the attached summary document (Appendix M - Saybrook Academic Growth Initiatives Update). Highlights include the following.

- Two new programs, MS in Integrative and Functional Nutrition (IFN) and MA in Management with a focus on Global Workforce (MAM), will launch in January 2015. The IFN program will begin the process of seeking specialized accreditation by the appropriate organization this fall.

- Two clinical psychology degree programs have been "carved out" of the current psychology program and proposals have been submitted to WSCUC to approve them as separate degrees. Once approved, we will seek specialized accreditation of the clinical MA program by the appropriate national organization.
- Market validation research by TCSES for the proposed MA/PhD in Transformative Social Change has been completed and the results will inform decisions about next steps.

Of particular note in the initiatives, Saybrook has undertaken an Academic Program Prioritization Process, scheduled to be completed during September 2014. This is a data-driven, multi-stakeholder process, the goal of which is for the faculty working group to develop criteria for evaluating and prioritizing academic programs. This faculty group will use those criteria to make recommendations about resource allocation to academic programs and, if necessary, to make recommendations about closing programs. Just as we must develop and launch new programs to increase enrollment, it is imperative that we identify programs that we can prioritize for growth, programs we wish to maintain at their optimal enrollment, and programs that we can no longer offer if we are to be a sustainable institution.

5. **Organizational Structure**

   The team that conducted the site visit as part of the WASC Structural Change process raised questions about how Saybrook's organizational structure would evolve and where decision-making and authority would reside for the various functions that Saybrook must carry out as an institution of higher education. In particular, the visit team was concerned about authority over enrollment management and academic affairs.

   5.1. Structure before TCSES affiliation

   Prior to affiliation with TCSES, Saybrook was comprised of the following functional units, all of which reported to the President.

   - Academic Affairs led by the Provost and containing the following units.
     - Four schools each led by a faculty chair: Clinical Psychology, Mind-Body Medicine, Organizational Leadership and Transformation, Psychology and Interdisciplinary Inquiry.
     - Library Services led by a Director.
     - Virtual Learning Environment Support led by a Director.
     - Student Advising (non-academic) led by the appropriate School Chair.
   - Enrollment Management led by a Chief Enrollment Officer and containing the following units.
     - Admissions led by a Director.
     - Registrar led by a Director.
     - Financial Aid led by a Director.
   - Institutional Research and Planning led by the President.
     - Institutional Research led by a Director.
   - Marketing, Communications, and External Relations led by a Vice President.
     - Communications led by a Director.
     - Marketing led by the Vice President working with outside agencies.
   - Finance and Administration led by a CFO/Vice President.
     - Business Office led by a Controller.
     - Human Resources led by a Manager.
     - Administration led by a Manager.
     - Information Technology led by a Director.

5.2. Structure after TCSES affiliation

The primary changes are to move Business Office, Financial Aid, Marketing, and Information Technology functions to TCSES. Once the affiliation integration work is complete, the functional units will be allocated as follows. The table below illustrates the functional areas that have moved entirely to TCSES (bold font) and the functional areas at TCSES that provide support services to Saybrook (italics).

Saybrook Functional Areas	TCSES Functional Areas

• Academic Affairs led by Provost
  o Four schools led by Chairs and Provost
  o Library services led by Director
  o Some student advising led by Chairs and Provost
	• Academic Affairs
	  o *New program implementation support provided*
	  o *Library services support provided*
	  o *Student advising support provided*
	  o **Virtual Learning Environment and Instructional Design Support led by TCSES Director**

• Enrollment Management
  o Registrar reports to Provost
  o Admissions reports to President
	• Enrollment Management
	  o *Registrar support provided*
	  o *Admissions support provided*
	  o **Financial aid led by TCSES Director**

• Institutional Research and Planning
  o Institutional Planning led by President
 	
• Communications and External Relations led by President
	• Institutional Research and Planning
	  o **Institutional Research led by TCSES Vice President**
	• **Marketing led by TCSES Vice President**

• Finance and Administration led by CFO/Vice President
  o Business Office processes moved to TCSES
  o Human Resources supported by Saybrook Manager
  o Information Technology supported by Saybrook Director
  o Administration led by Manager
	• Finance and Administration
	
	  o **Business Office processes managed by TCSES**
	  o **Human Resources processes managed by TCSES**
	  o **Information Technology led by TCSES Vice President**

5.3. Response to concern

The primary concerns expressed by the Structural Change visit team were about design, development, and implementation of academic programs, curricula, and courses and about broader authority and decision making in the Academic Affairs area. All academic program design, decision-making, approval, and development reside within the academic affairs functional unit at Saybrook. Direct support for course implementation in the online learning management system is provided by the TCSES Instructional Design team. Less direct support is provided for new program implementation, library services, and student advising (though we will obtain additional student advising support as we better understand how our student advising needs can be supported by the TCSES Student Management Team). All Admissions and Registrar functions and decision-making remain with Saybrook, though considerable support is provided by the parallel units at TCSES, especially for monitoring and compliance-related aspects of academic program delivery. This model comports with the WASC expectation that the accredited entity maintain control over the academic and fiscal

elements of the institution while allowing other functions and support to be provided by another entity, such as a system (Policy on Contracts with Unaccredited Organizations).

Since we are only 90+ days into the affiliation, it is too early to assess the overall impact of the reallocation of functions between Saybrook and TCSES. We have already seen positive outcomes of the transfer of functions, some of which are listed below.

- In the academic affairs area, we have identified compliance risks related to financial aid, satisfactory academic progress, and student work, which are being addressed.
- In the academic affairs area, we are following instructional design recommendations as courses are moved from the Moodle learning management system to the Canvas learning management system.
- In the business office area, we are implementing a paperless expense reimbursement system and a centralized travel scheduling and expense approval system.

We expect to see process improvements across all the areas where TCSES has assumed responsibility. Because TCSES holds operating reviews across the system every six months, we will be assessing these processes regularly to determine where and how we can improve.

6. **Financial Sustainability**

Saybrook's financial sustainability, arguably, has been the single most critical issue raised in WSCUC visits, reports, and decisions over time. The concerns have highlighted a range of issues that can be broadly categorized as enrollment management and fundraising, which were called out again on our most recent Special Visit. Although we have made progress on this front over the past four years, financial sustainability was the primary driver for seeking an affiliation or partnership relationship with another institution and for ultimately deciding to affiliate with the TCS Education System.

6.1. Enrollment management and growth

Prior to the affiliation with TCSES, we were operating with an integrated enrollment management approach that brought together all administrative departments (e.g., Registrar, Admissions, Financial Aid) of the university and faculty as participants in enrollment management (Appendix N – Saybrook Integrated Enrollment Management). For new student enrollment, this approach, along with the focused planning and implementation by our marketing group, provided the framework for an enrollment management process that allowed us to decrease our dependence on paid lead aggregators and to increase our focus on web-based marketing. This approach resulted in overall increases in "qualified" inquirers, applicants, and enrolled students. We use the term "qualified" because, in some cases, numbers of inquirers initially dropped while numbers of applicants held steady or increased. (Appendix O – Saybrook Enrollment and Retention Data). For continuing student enrollment, the integrated enrollment management approach had the potential to positively impact enrollment because each administrative department had the potential to contribute to retention and persistence to graduation. At the same time, such an approach required more attention and, in some areas, greater resources to implement best practices. Even with these improvements, we did not have the financial capacity or the infrastructure to do everything necessary to reach an enrollment level that would sustain us financially, thus the strategic decision to affiliate. In addition, for financial sustainability, it became critical to analyze existing programs to determine which programs should be prioritized for additional resources and whether any should be downsized or phased out.

New Student Enrollment. Increasing new student enrollment depends on both increased new student enrollment in existing programs and the launch of new programs. In the past 18 months we have established one new program that brought in 17 new students (Psychophysiology became a

specialization within the psychology degree). We also started a new Integrative Mental Health specialization within Mind-Body Medicine that provided a net increase of 15 students. In January 2015, we will launch two new master's degree programs that are expected to bring in a total of approximately 25 new students.

By affiliating with TCSES, we gain the additional infrastructure to increase enrollment. We can leverage the more robust TCSES marketing and recruitment capacity to grow the programs we have and implement new programs quickly enough for Saybrook to reach a financially sustainable position within three to five years. Our Director of Communications and External Relations has been working with the TCSES marketing team to develop our enrollment management approach that is comparable to our pre-TCSES enrollment management approach. Our Director of Admissions has been working with the TCSES admissions team to move our admissions work to an improved CRM system, to increase our admissions staff training, and to improve our use of admissions best practices. In addition, we have hired a senior-level admissions counselor to support our recruiting efforts for the two residential programs in the Seattle area (More on the Seattle area programs below).

Continuing Student Enrollment. Improving retention and persistence continues to be an important goal if we are to increase our financial sustainability. We have been using and will continue to use our enrollment and retention data to determine where there is room to improve our total continuing student enrollment (Appendix O, Saybrook Enrollment and Retention Data). For example, because attrition rates in 2011-2012 were overall at 17%, the faculty in the School of Psychology and Interdisciplinary Inquiry redesigned and reorganized their first-year student engagement process and the ongoing process for faculty mentoring of students. Their attrition dropped the following year and this year, resulting in a 2013-14 attrition rate of just less than 10%. Similarly the faculty in the School of Organizational Leadership and Transformation have improved student engagement over the past four years and seen small improvements in retention. In juxtaposition, the School of Mind-Body Medicine has seen an increase in first-year attrition, so the faculty in this school will be addressing this challenge in the coming year.

By affiliating with TCSES, we gain additional infrastructure we can leverage to improve student retention and success, which will increase overall enrollment and concomitant revenue. In this past year, if we had been able to achieve attrition slightly less than 10% across Saybrook, we would have increased continuing student enrollment by approximately 12 students and expected revenue in the coming year by approximately $250,000. We expect the instructional design team will bring best practices to our faculty in their design of online courses, which will enhance student engagement and retention. In due time, we will integrate our administrative support of students with the TCSES student management team to enhance ongoing student contact, resolution of student issues, and early identification of students at risk for withdrawal or dismissal. All these improvements will support increased retention and persistence toward graduation. Also, the additional data collected through the student management process should help identify areas in which our faculty can make changes that further support student success.

Enrollment and Program Prioritization. Finally, in support of our enrollment growth, our in-process Academic Program Prioritization project will serve as the foundation on which to make decisions about prioritizing resource allocation to some programs and possibly phasing out other programs. The prioritization project is expected to be completed in September 2014 so the results can be used to inform the budget planning process for the 2015-2016 fiscal year. Though the program prioritization project will take into account many criteria, enrollment trends as depicted in Appendix O, Saybrook Enrollment and Retention Data, over the past five years will be a significant factor.

The prioritization process will address the decreases that we have experienced in both new and continuing enrollment in our non-clinical Psychology MA/PhD program. This program has numerous specializations and their relative viability will be assessed in the context of the prioritization. The Organizational Systems MA/PhD program had been showing a pattern of decreased enrollment until this past year; even with that recent increase, it will undergo the same analysis. The Clinical Psychology and Mind-Body Medicine programs have shown increased enrollment over the past four years and have the most new offerings in the pipeline. Nevertheless, they will undergo the program prioritization review.

Of particular concern over the past five years have been our residential master's degree programs in the Seattle area. These programs are commonly referred to as the LIOS MA programs. They have struggled to maintain enrollment since their acquisition by Saybrook in 2009-10; and, to date, they have not generated the revenue necessary to be financially sustainable. In an effort to address the issues there and to increase enrollment during the 2014-15 academic year, we have undertaken several initiatives over the past year:

- Hired a Senior Admissions Counselor to work onsite and lead all admissions efforts in the Seattle area.
- Redesigned the MA Psychology: Counseling program (CP) to meet changing licensing requirements in Washington, Oregon, and California.
- Redesigned the MA Organizational Systems: Leadership and Organizational Development program (LOD) to meet changing needs of potential students from business and industry.
- Redoubled outreach recruiting efforts in Seattle and surrounding area.
- Increased engagement of alumni for recruiting potential students.
- Engaged the TCSES Marketing department for enhanced marketing efforts in the Seattle area.

A plan for the next steps in addressing this challenge once we have a clear picture of the Fall 2014 Seattle enrollment is under development and will be available by the time of the visit.

6.2. Fundraising and grants

The need for fundraising and grants as other sources of revenue was raised once again on the most recent WASC Special Visit. Though we recognize the potential value and importance of fundraising and grants, these undertakings require long-term resource investment, cultivation, and planning. Historically at Saybrook, with the exception of one year, the return on this effort has never reached a level to offset its cost. Given the needs for addressing short-term program development, increased enrollment goals, and identifying and securing the TCSES affiliation, along with the six-figure investment required for a development office, we have chosen to defer efforts on fundraising and grants development until the next strategic plan.

6.3. TCSES impact on financial strength/services provided, etc.

Changes in support of financial strength. Our expectation is that once the following functions have fully transitioned to TCSES, Saybrook will be able to provide better student services at a lower cost. In addition, what are currently essentially fixed costs will become more variable in nature, adjusting to enrollment. With an improved technology infrastructure we expect to be able to more easily add new programs. It will be easier to add new programs because the systems are more flexible and require less customization**,** which means lower start-up costs. As noted above, the functions that are transferring to TCSES are Financial Aid, Business Office, Information Technology administration and infrastructure, Institutional Research, and Marketing. In addition to lowering the cost of providing student services, we anticipate increasing the effectiveness of our marketing activities, thus leading to

increased enrollment. We will also have access to the TCSES $15 million line of credit, which improves our ability to withstand short-term cash-flow issues and enhances liquidity.

Impact to date. The impact to financial strength/services to date has not yet been felt as the integration is still in progress and transition of roles and functions is not complete.

Impact expected during 2014-2015. During the 2014-2015 fiscal year we expect the integration and transition of roles and responsibilities to be completed. As a result we expect to see an improvement in overall student administrative services. However, any direct impact on financial strength will be muted because of a two-month overlap of duplicative costs for redundant activities while the transition and integration work was completed.

Impact expected for 2015-2019. Starting with the 2015-2016 fiscal year, we expect to realize annual savings of approximately $250,000 in direct labor and overhead costs. In addition, we hope to realize increased productivity from the enhanced technology, which should result in further savings. More effective marketing programs are expected to increase inquiries and enrollment and thus increase tuition revenue. Finally, because of the increased capacity provided by TCSES and assuming approval by WSCUC, two or more new programs initiated and developed by Saybrook faculty will be started each year to yield significant positive margin by the end of fiscal year 2017-2018 (Appendix P, Saybrook Projected Budget 2015-2019).

Summary. At the time of the Structural Change visit, Saybrook was in a fragile financial condition. This fragile condition would likely have deteriorated further without some form of affiliation where economies of scale could be realized. Saybrook's infrastructure had been deteriorating and would have continued to do so without sufficient funds to invest in improvements and new programs. Saybrook's enrollment, while overall relatively steady, was masking declining enrollment in legacy programs, which were only partially offset by moderate growth in new programs.

The affiliation with TCSES provides economies of scale in Business Office processing, Financial Aid processing, IT technology acquisition and infrastructure maintenance, Marketing best practices, buying efficiencies, and technologically current systems for student engagement and administrative efficiency. With improved and increased basic infrastructure as well as increased marketing capacity, the TCSES relationship provides the means to more quickly grow programs while improving student service than has previously been the case.

7.   **Board of Trustees Governance and Relationship with TCSES**

The Commission action letter following the Structural Change visit noted that three entities have oversight responsibilities for Saybrook: the Saybrook Board of Trustees, the Fiduciary Council, and TCSES governing board. The team and the Commission raised issues about the independence of the governing board and the way in which the three boards would operate. The team acknowledged that the nexus of control of the University occurs through the Saybrook board with the oversight and consent of the Fiduciary Council and asked about the process for resolving conflicts that may arise between TCSES and Saybrook.

7.1. Analysis of independence of Board of Trustees and Fiduciary Council

The current members of the Saybrook Board of Trustees and the Saybrook Fiduciary Council are listed in Appendix Q, Saybrook Board, Board Committees, and Fiduciary Council Membership. Under the WASC policy on Independent Governing Boards, a majority of members of the governing board must be "independent" and free of conflicts of interest, a status that is defined by WASC as not being employed by or having an ownership interest in the institution, and not being appointed by another related entity.

Currently, as shown on the first table in Appendix Q, six of nine Saybrook board members receive no compensation from either TCSES or Saybrook. One of the compensated members is the Saybrook president, and the other two are high-level TCSES employees. Two of the uncompensated board members are also on the TCSES board, including the Saybrook board chair. These dual board memberships are intended to enhance connections and communication between TCSES and Saybrook. In addition, the majority of members on each board committee are also independent.

There has never been a situation in which the board was divided along Saybrook/TCSES lines, nor has this scenario arisen with other TCSES affiliates. Even so, in the unlikely event that such a situation should occur, more than a simple majority of the Saybrook board members are independent and do not have any financial or other affiliations that might motivate them to act in a way that is not in the best interests of Saybrook.

As described below, TCSES exercises its limited reserve powers over Saybrook through a Fiduciary Council, which is appointed by the TCSES board. This is the same governance model for all the entities that are affiliated with the TCS Education System. The Fiduciary Council for Saybrook includes five of nine members who are not compensated by either Saybrook or TCSES, thus the Fiduciary Council qualifies as independent. (See table 2 on Appendix Q.)

7.2. Description of roles and work to date

The Saybrook bylaws set forth the usual array of powers and authority vested in the governing board of an institution of higher education. The bylaws are provided as Appendix R, Saybrook Bylaws. They provide for the board to offer programs; review and evaluate the organizational structure; hire, evaluate and remove the president; establish fees and budgets; etc. in keeping with WASC CFR 3.9. (See Article 9.) The limited powers of the Fiduciary Council are to consent to election of board members, and to changes in mission, legal structure, and bylaws, etc. (See Article 7). The Fiduciary Council only acts on matters that are brought to it by the Saybrook governing board. It does not act on its own motion. A chart showing the scope of authority is each entity is also attached, as Appendix S, Saybrook Board and Fiduciary Council Scope of Authority.

The heart of the matter in an academic institution comes down to 1) whether the Board of Trustees provides oversight for the mission, executive selection and evaluation, academic integrity and affairs, and fiduciary planning and implementation, and 2) whether the faculty and academic affairs remain responsible for development and implementation of programs, curricula, and related academic processes from admissions through graduation.

Since the affiliation with TCSES, Saybrook's board has continued to honor its historic mission, conducted a successful presidential search, and reviewed and approved the fiscal year 2014-2015 budget. The Fiduciary Council provided review and approval of the budget without change (Appendix T, Saybrook Fiduciary Council Minutes). The Fiduciary Council has limited authority and the usual array of governing board responsibilities is vested in the Board of Trustees. This appropriate allocation of power is reflected not only in formal instruments like the bylaws, but also in practice, as noted above.

In the academic affairs area, Saybrook's Board, through its Academic Affairs Committee, has reviewed and approved proposed new degree programs. Those new programs that are approved by WSCUC will be implemented as designed by Saybrook faculty with support from Saybrook and TCSES administrative units. For the ongoing operation of programs and associated curricula, the faculty of Saybrook's four schools continues to be responsible. Overall, Saybrook's Board of Trustees is providing oversight as expected and Saybrook's academic affairs unit is operating as expected – not

only without undue influence by TCSES but with strong support for decisions and implementation in areas for which TCSES provides services.

Hence, both the controlling legal documents and the actions of the governing bodies associated with Saybrook demonstrate that Saybrook's governance comports with WASC policy and good practice, and is effective. What may be most important to a full understanding of the governance structure is that the interests of TCSES and Saybrook are aligned. Both are non-profit entities with a solid history of outstanding educational outcomes. Their shared mission and vision is to provide quality educational programs with excellent outcomes for students. Saybrook, to fulfill its mission and through the leadership of its board, faculty and administration, develops, offers and evaluates its educational programs. TCSES supports Saybrook in fulfillment of its mission by providing critical services, an array of resources, and extensive expertise to enhance offerings, outcomes, and the student experience. When Saybrook succeeds, TCSES succeeds.

7.3. Plans for adding to Saybrook Board over time

Per the contractual arrangements in the affiliation agreement, the Board of Trustees membership stays the same for the first 20 months of the affiliation, a period that ends in September 2015. During the next year, the Board will plan for its future development, including consideration of new board members, taking into account Saybrook's needs regarding fundraising, grants development, and other areas of expertise that the board may need.

8. **Concluding Statements**

In the current higher education environment, freestanding graduate-only institutions are at risk. As competition for students and philanthropic support has grown, demographics have shifted and enrollments declined, and costs have increased as a result of both inflation and greater infrastructure demands, institutions like Saybrook must be forward-thinking and proactive if they are to survive and thrive.

Saybrook has faced these challenges boldly by affiliating with TCSES and taking sometimes difficult steps to expand its portfolio of programs and rethink the way that it operates. It has done this successfully while adhering to its historic mission and humanistic values. It now faces the future with a clear vision of what it will be and a set of realistic and achievable plans to guide it.

In the past two years, Saybrook has:

- Affiliated with TCSES and begun to realize the benefits of its infrastructure support.
- Developed new programs that will be launched over the next few years, enhancing its offerings and building enrollment.
- Achieved much of its strategic plan, adapting to new conditions with bridge plans, and created the culture and accountability for future planning.
- Moved toward greater financial sustainability with careful budgeting, cost containment, and enrollment growth.
- Exercised strong administrative and board leadership, exemplified by the affiliation with TCSES and the recent appointment of a new president.

These accomplishments position Saybrook for a brighter, sustainable future, one that promises to see its mission and vision flourish.

As Winston Churchill put it, "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty." It goes without saying that Saybrook has endured its share of both

difficulties and opportunities over the last several years (one might even say over the last four decades, since its inception).

Through it all Saybrook University has been the optimist, seeing the opportunity in every difficulty. After all, that is what a humanist does: views human potential as capable of righting wrongs, overcoming challenges and redefining the good life. At Saybrook we are trying to build an organization committed to these principles, and we hope the WSCUC will aid us in our quest with its wise recommendations following our visit.