

February 26, 2020

John Gotanda
President
Hawaii Pacific University
500 Ala Moana Boulevard
Honolulu, HI 96813

Dear President Gotanda:

This letter serves as formal notification and official record of action taken concerning Hawaii Pacific University (HPU) by the WASC Senior College and University Commission (WSCUC) at its meeting February 14, 2020. This action was taken after consideration of the report of the review team that conducted the Special Visit to HPU October 30–November 1, 2019. The Commission also reviewed the institutional report and exhibits submitted by HPU prior to the Special Visit and the institution’s December 13, 2019 response to the team report. The Commission appreciated the opportunity to discuss the visit with you, and your colleagues Jennifer Walsh, Provost/Senior Vice President; David Kosteki, Chief Financial Officer; and Richard Hunter, Chair, Board of Trustees. Your comments were very helpful in informing the Commission’s deliberations. The date of this action constitutes the effective date of the institution’s status with WSCUC.

Actions

1. Receive the Special Visit team report that focused on: 1) significant administrative turnover and reductions in faculty staff, plus many vacant positions; 2) operating and non-operating deficits resulting in financial instability; 3) communication; 4) major enrollment declines and issues of retention; 5) strategic planning; and 6) student dissatisfaction with the Student Advising Program.
2. Continue with the previously scheduled reaffirmation review with the Offsite Review in fall 2021 and the Accreditation Visit in spring 2022
3. Issue a Notice of Concern with a focus on Standard 3 with concerns about Criteria for Review 3.4 regarding financial stability caused in large measure by enrollment declines

As noted in the 2013 *Handbook of Accreditation*, a formal Notice of Concern “provides notice to an institution that, while it currently meets the Standards, it is in danger of being found out of compliance with one or more Standards if current trends continue . . . Institutions issued a formal Notice of Concern have a Special Visit within four years to assess progress. A Notice of Concern is public information and will be posted on the WSCUC website. If the Commission’s concerns are not addressed by the time of the visit, a sanction is imposed . . .” The visiting team report documents the further decline in financial strength since the last visit with concerns about future sustainability. As provided in the December 13, 2019 response from President Gotanda to the Commission, HPU has made meaningful progress since the team visit in fall 2019 in both finances and enrollment which are promising for the future. The Commission acknowledges this progress but would like continued evidence of further stability to remove the Notice of Concern. Normally a Special Visit would be required to follow up on the issues giving rise to the Notice of

Concern. However, since HPU is scheduled for its comprehensive reaffirmation review soon, the Notice of Concern issues revolving around Standard 3 and CFR 3.4 can be addressed in and will be a major focus of the OSR in fall 2021 and Accreditation Visit in spring 2022.

The Commission commends HPU in particular for the following:

1. The Board of Trustees is well informed and actively engaged in the issues facing the institution and is providing appropriate strategic planning and fiduciary oversight and support of institutional leadership.
2. The Board of Trustees, senior leaders, deans, faculty, and staff are all playing important roles in deploying multiple strategies to retain more students, which will lead to better educational outcomes and improve the institution's financial position.
3. The senior leadership team is now in place, focused, collaborative, and working well together under the president's leadership.
4. The president is fostering a more open leadership style and has introduced a set of communication strategies to keep the university community informed of issues, goals, challenges, and accomplishments.
5. The faculty and staff are committed to the institution and are actively involved in shared governance.
6. Implementation of the physical plant master plan to expand the institution's presence in downtown Honolulu was accomplished on a timely basis and within budget.
7. The university restructured its debt to achieve temporary bond covenant relief and deferral of a balloon maturity payment.
8. The Oceanic Institute's focus and programs have been modified to better integrate with HPU's mission and strategic goals.
9. The advising system, while new, involves more direct faculty participation in concert with staff advisors, shows promise, and should strengthen student success and improve student retention.

The Commission requires the institution to respond to the following issues:

1. To ensure financial stability and sustainability, the university should:
 - a. Remain focused on short-term efforts to stabilize enrollment and related net student revenue as quickly as possible. (CFR 3.4)
 - b. Reflect on the timing and priorities of the comprehensive campaign with an initial focus on goals that support its short-term financial viability. (CFR 3.4)
 - c. Implement necessary contingencies in order to remain in compliance with bond covenants without jeopardizing necessary faculty and staff levels and academic quality. (CFRs 2.1, 3.1)
2. To ensure well-coordinated strategic and long-term planning, the administration, building on what has begun, should more clearly:
 - a. Articulate alignment of the overall HPU strategic plan with the more specific implementation plans developed by each university division, college, and support area. (CFR 4.6)

- b. Prioritize action plans tied to well defined planning objectives, timelines, and metrics which include key performance indicators. (CFR 4.6)
 - c. Monitor progress comprehensively in order to achieve expected outcomes and performance. (CFR 4.6)
3. The university should prioritize the number of recent initiatives in order to focus on those of greatest importance in light of limited financial resources and a reduced number of personnel. The Commission is concerned that, in responding to WSCUC recommendations, HPU may have developed more new initiatives than can be efficiently implemented (CFRs 3.4, 4.6)
4. The university should continue efforts to improve the accuracy and use of centralized institutional research data to foster an institution committed to quality assurance, institutional learning, and improvement. (CFRs 4.1, 4.3)

In accordance with Commission policy, a copy of this letter will be sent to the chair of HPU's governing board. The Commission expects that the team report and this action letter will be posted in a readily accessible location on the HPU's website and widely distributed throughout the institution to promote further engagement and improvement and to support the institution's response to the specific issues identified in these documents. The team report and the Commission's action letter will also be posted on the WSCUC website. If the institution wishes to respond to the Commission action on its own website, WSCUC will post a link to that response on the WSCUC website.

Finally, the Commission wishes to express its appreciation for the extensive work that HPU undertook in preparing for and supporting this accreditation review. WSCUC is committed to an accreditation process that adds value to institutions while contributing to public accountability, and we thank you for your continued support of this process. Please contact me if you have any questions about this letter or the action of the Commission.

Sincerely,



Jamiene S. Studley
President

JSS/rco

Cc: Reed Dasenbrock, Commission Chair
Valentina Abordonado, ALO
Richard Hunter, Board Chair
Members of the Special Visit team
Richard Osborn, Retired Vice President, Staff Liaison at time of visit
Susan Opp, Vice President