



Office of the President

January 21, 2019

Dear Members of the Commission,

United States University (USU) appreciates the opportunity to provide this brief institutional response to the Report of the WSCUC Team based on its November 27-30 Special Visit. The entire university community wishes to thank the Visiting Team for their collegiality and willingness to engage in the totality of the university experience ranging from discussions of its mission and core values to systems migrations, faculty orientation, and student success. USU especially wishes to acknowledge the work of the Team Chair, Team Assistant Chair, and WSCUC Staff Liaison for their unfailing responsiveness to questions posed (both procedural and substantive) and their patience in examining the depth and breadth of documentation presented in the process of addressing a total of 19 institutional recommendations.

The USU community believes that the Visiting Team's Report accurately describes the current state of the institution in terms of the seriousness with which the university has addressed the Commission's recommendations, the substantial number of strategies which have been undertaken and implemented, as well as the variety of ongoing projects and initiatives. We wish, however, to draw the Commission's attention to a concluding observation made by the team (page 25, paragraph 1) that we would like to clarify.

Although USU has historically suffered from a lack of marketing expertise that has led to "a pattern of unrealistic enrollment projections," we believe we presented evidence to show that this pattern is no longer continuing, and we provided data to indicate that the financial health of the university should not be considered a "serious concern" now that USU is owned and provided shared services by Aspen Group, Inc. (AGI).

The primary reason that the projected September 2018 target of 959 for student enrollment was not met was entirely due to an institutional decision, made in conjunction with colleagues at AGI to *purposefully decrease the enrollment flow* while various system migrations (including but not limited to the LMS) and faculty hiring initiatives (College of Nursing and Health Sciences hired eight additional core faculty and staff members) were underway. USU and AGI believed in 2018 and continue to believe that rapid student expansion without the infrastructure necessary to fully support student success works against the mission, vision, and values espoused by the institution. This decision and its accompanying enrollment ramifications were discussed with Visiting Team Members during the course of the visit, but perhaps we were not clear enough in indicating that we deliberately kept enrollment lower than projected. It is worth noting, however, that total



student enrollment rose dramatically in the first year of AGI ownership from 357 in Fall 2017 to 622 in Fall 2018.

We were pleased to report to the Visiting Team the data that indicates that the financial health of USU has markedly improved since the Special Visit in 2015 and Structural Change/Change of Ownership Visit in 2017. Annual revenue has increased by 50% and the EBITDA loss has improved by 15% in 2018 as compared to 2017. The most recently achieved financial improvements are even more dramatic and are clearly indicative of an expanding university. Revenue increased 72% and the EBITDA loss improved 38% from Q4 17 to Q4 18. This revenue growth has been supported by a growing student body which reached 809 students as of January 2019. This student growth was supported by 187 new enrollments in January, which met budgeted expectations. We were puzzled by the report's "serious concern" language because we believe that the data shows that the financial health of the university has improved significantly. USU in fact believes that the financial health of the university is a cause for genuine optimism thereby creating the "palpable positive energy," found by the Visiting Team.

The USU community continues to address the institutional recommendations provided by the Visiting Team. A final draft of the strategic plan as well as an instrument to formally measure the Service Level agreement will be presented to the Board of Trustees at the March 5 meeting. Enrollment trends and financial performance are monitored on a monthly basis. The Assessment Task Force systemically monitors the rigor and quality of academic programs, while the collegiate curriculum committees are tasked with making programmatic recommendations to the Faculty Senate's Academic Affairs Committee as a key step in the process of gaining institutional consensus to seek appropriate approval(s) for new programs.

My colleagues and I look forward to meeting with the Commission Panel on February 21 to update readers and members as to developments at the University and to respond to any outstanding questions.

A handwritten signature in black ink that reads "Steven Stargardter".

Dr. Steven Stargardter  
President and ALO