



January 20, 2015

Mr. Eddie N. Moore, Jr.  
Interim President & CEO  
Norfolk State University  
700 Park Avenue, Suite 520  
Norfolk, VA 23504

2015 JAN 26 PM 12:30

Dear Mr. Moore:

The following action regarding your institution was taken by the Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges during its meeting held on December 7, 2014:

The SACSCOC Board of Trustees reviewed the institution's First Monitoring Report and financial statements requested after review of a December 2013 Special Committee Report on standards related to finances, governance, and qualified administrative/academic officers. The information used as a basis for the review originated with newspaper and other media accounts. In addition, the review included a Monitoring Report stemming from a June 2014 Fifth-Year Interim Report submission. Based on the findings of these reviews, the Committee recommended that the institution be placed on Probation for 12 months for failure to comply with Core Requirement 2.2 (Governing board), Core Requirement 2.8 (Faculty), Core Requirement 2.11.1 (Financial resources and stability), Comprehensive Standard 3.2.5 (Board dismissal), Comprehensive Standard 3.2.6 (Board/administrative distinction), Comprehensive Standard 3.3.1.1 (Institutional effectiveness: educational programs), Comprehensive Standard 3.7.5 (Faculty role in governance), Comprehensive Standard 3.10.1 (Financial stability), Comprehensive Standard 3.10.2 (Financial aid audits), Comprehensive Standard 3.10.3 (Control of finances), Comprehensive Standard 3.10.4 (Control of sponsored research/external funds), Comprehensive Standard 3.11.1 (Control of physical resources), Comprehensive Standard 3.13.1 (Policy compliance), and Federal Requirement 4.7 (Title IV program responsibilities) of the *Principles of Accreditation*. The Committee also authorized a Special Committee. The institution is requested to submit a Second Monitoring Report due **September 8, 2015**, or not later than four weeks prior to the Special Committee visit, addressing the visiting committee's recommendations and the findings of the Compliance and Reports Committee applicable to the following referenced standards of the *Principles of Accreditation*:

**CR 2.2 (Governing board), Recommendation 1**

*This standard expects an institution to have a governing board of at least five members that is the legal body with specific authority over the institution; a board that is an active policy-making body for the institution and is ultimately responsible for ensuring that the financial resources of the institution are adequate to provide a sound educational program. Further, the board is not controlled by a minority of board members or by organizations or interests separate from it. Finally, both the presiding officer of the board and a majority of other voting members of the board are free of any contractual, employment, or personal or familial financial interest in the institution.*





Mr. Eddie N. Moore, Jr.  
January 13, 2015  
Page Two

From the Committee's review of Norfolk State University's Board Bylaws, it appears that a member of the Board of Visitors (BOV) could be removed without cause, by action of at least seven members of the Board itself. As the total number of possible NSU Board members is not clearly denoted in the Bylaws (or in any other documents reviewed by the Committee), it seems possible that removal of a Board member without cause could be effected by a minority of Board members. As part of its response, the institution should provide evidence that its Board is not controlled by a minority.

**CR 2.8 (Faculty)**

*This standard expects an institution to have an adequate number of full-time faculty to support the mission of the institution and to ensure the quality and integrity of each of its academic programs.*

The Committee on Fifth-Year Interim Reports noted that there are at least seven programs in which the institution did not demonstrate that the number of full time faculty is adequate to ensure the quality and integrity of the programs. In its Referral Report, the institution did not provide adequate information or supporting documentation to demonstrate how each of the seven programs has adequate full-time faculty and how the number of full-time faculty adequately supports the mission of the institution and ensures the quality and integrity of these programs. In addition, the institution also notes that the BA in Sociology Program (distance education course offering) is actually not offered as an online degree program, yet the institution responded to the question and provided data for this program. Therefore, it is also unclear whether the BA in Sociology program is offered as a distance education program and calls into question all the data provided for that program.

As part of its response, the institution needs to clarify the information concerning the BA in Sociology program, as well as provide evidence that it has adequate full-time faculty to ensure the quality and integrity in the other seven programs.

**CR 2.11.1 (Financial resources and stability), Recommendation 2/**

**CS 3.10.1 (Financial stability), Recommendation 8**

*CR 2.11.1 expects an institution to have a sound financial base and demonstrated financial stability to support the mission of the institution and the scope of its programs and services. Further, it expects a member institution to provide the following financial statements: (1) an institutional audit (or Standard Review Report issued in accordance with Statements on Standards for Accounting and Review Services issued by the AICPA for those institutions audited as part of a systemwide or statewide audit) and written institutional management letter for the most recent fiscal year prepared by an independent certified public accountant and/or an appropriate governmental auditing agency employing the appropriate audit (or Standard Review Report) guide; (2) a statement of financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the most recent year; and (3) an annual budget that is preceded by sound planning, is subject to sound fiscal procedures, and is approved by the governing board.*

*CS 3.10.1 expects an institution's recent financial history to demonstrate financial stability.*





Mr. Eddie N. Moore, Jr.  
January 13, 2015  
Page Three

The institution did not provide FY 2014 audited financial statements or a management letter for FY 2014. Additionally, the University did not provide, as requested, a separate statement of unrestricted assets exclusive of plant and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the most recent year. Consequently, the Committee was not able to accurately establish that the institution has a sound financial base and demonstrated financial stability.

**CS 3.2.5 (Board dismissal), Recommendation 3**

*This standard expects an institution's governing board to have a policy whereby members can be dismissed only for appropriate reasons and by a fair process.*

The institution was requested to provide evidence of the existence of a governing board policy whereby members can be dismissed only for appropriate reasons and by a fair process. Of note, Article 2.02(J) of the Bylaws Of The Norfolk State University Board Of Visitors states under "Member Dismissal" that "The members of the Board of Visitors are protected by Virginia law from being removed without appropriate reasons and by an unfair process. Dismissal of a Board member for cause may be pursued in accordance with the Code of Virginia § 2.2-108." However, later in the same Bylaws, Article 5.02 states under "Removal" that "At any meeting of the Board of Visitors, any elected officer may be removed, either with or without cause, by an affirmative vote of at least seven voting members of the Board of Visitors." It would appear that a Board member can be removed without cause.

As part of its response, the institution needs to provide evidence that its Board of Visitors: 1) has an unambiguous policy and procedure for Board member dismissal and 2) Board members can only be dismissed for appropriate reasons.

**CS 3.2.6 (Board/administrative distinction), Recommendation 4**

*This standard expects an institution to have a clear and appropriate distinction, in writing and practice, between the policy-making functions of the governing board and the responsibility of the administration and faculty to administer and implement policy.*

The Special Committee was concerned that the hiring of the University's Executive Vice President by the Board of Visitors suggested that the Board acted as administrator of the University. In order to address this potential conflict, the institution provided a new policy to address Board action in hiring institutional personnel. The policy was duly approved by the Board and states that "additional staff may be hired by the Board to fulfill its duties and responsibilities as may be statutorily required or needed from time to time." However, this policy revision does not clearly identify and define personnel that can be hired by the Board, the purposes for which they can be hired, and how such action may intersect with the hiring and oversight responsibilities of the institution's administration.

As part of its response, the institution should clarify the policy of board hiring of personnel.



Mr. Eddie N. Moore, Jr.  
January 13, 2015  
Page Four

**CS 3.3.1.1 (Institutional effectiveness: educational programs)**

*This standard expects an institution to identify expected outcomes, assess the extent to which it achieves these outcomes, and provide evidence of improvement based on analysis of the results in its educational programs, including student learning outcomes.*

The Committee on Fifth-Year Interim Reports noted that the institution needed to provide evidence that it assesses program outcomes and relates these assessments to student learning. In its response, the institution provided an overview of the processes currently used by the institution for program assessment as well as examples of such assessment from 11 academic units. From the information provided for these units, the institution demonstrates a strong assessment process of program and student learning outcomes and the use of data for improvement; however, the institution did not provide a rationale for the inclusion of these 11 academic units as a representative sample of the institution's mission and academic program array.

As part of its response, and for each program in the sample, the institution should demonstrate the assessment of program and student learning outcomes and the use of results for improvement. The institution may provide a sampling of its programs as long as the sample is representative of its mission and includes a valid cross-section of programs from every college or division. If a sample of educational programs is provided, the institution should present a compelling rationale as to why the sample and assessment findings are an appropriate representation of its educational programs.

**CS 3.7.5 (Faculty role in governance), Recommendation 7**

*This standard expects an institution to publish policies on the responsibility and authority of faculty in academic and governance matters.*

Concerns were expressed in the Report of the Special Committee that changes had been made to the Faculty Handbook without faculty input as required in the Handbook and that there were allegations that changes were made in 2011 to faculty contracts without faculty engagement. The institution provided documentation to demonstrate that although changes were made during the absence of faculty on campus, the changes were communicated to faculty upon their return for the next semester. This action was consistent with the current policy which allows the provost to make changes when needed if the faculty is not available to participate; however, such changes must be communicated to the faculty soon thereafter. While this is an approved policy, the actual practice would allow the provost to make changes whenever the faculty were unavailable, to avoid faculty input.

The Special Committee also indicated allegations were made by faculty that revisions had been made to post-tenure review without appropriate faculty input. The institution's response to this allegation was very brief, alluding to 18 communications that had occurred at the time. From reviewing the response and limited narrative provided, it is not clear whether the faculty were actively and positively engaged in the process of crafting the policy revision in question.





Mr. Eddie N. Moore, Jr.  
January 13, 2015  
Page Five

As part of its response, the institution needs to clarify the role of faculty in governance and show evidence that it implements and appropriately enforces those policies and procedures.

**CS 3.10.2 (Financial aid audits)/ FR 4.7 (Title IV program responsibilities)**

*This standard expects an institution to audit financial aid programs as required by federal and state regulations, and expects an institution to be in compliance with its program responsibilities under Title IV of the most recent Higher Education Act as amended.*

The institution acknowledged in its response that it did not provide its most recent audit of financial aid awards. The institution provided copies of the APA Report on Audit Management Letter for the years ending June 30, 2011, and June 30, 2012; corrective action plans addressing the audit for the year ending June 30, 2011; and the Commonwealth of Virginia Single Audit letter for years end June 30, 2011, June 30, 2012, and June 30, 2013. Without the availability of the institution's FY 2014 audit/A133 reports, the Committee was unable to determine if the institution is in compliance with its program responsibilities under Title IV of the most recent Higher Education Act as amended.

In addition, the FY 2013 Statewide Single Audit included two findings related to the University which needed corrective action. While the institution noted that staff were developing procedures to address these concerns, there was no documentation to verify the institution had successfully addressed these findings. A letter from the United States Department of Education dated September 17, 2014, which was provided as supporting documentation, states that the corrective action plan had been implemented. However, this letter also notes that the auditor will perform audit follow-up procedures in subsequent OMB Circular A-133 audits to verify that corrective actions have been implemented.

As part of its response, the institution needs to provide evidence of the corrective action.

**CS 3.10.3 (Control of finances), Recommendation 9**

*This standard expects an institution to audit financial aid programs as required by federal and state regulations.*

The institution acknowledged that problems with control of finances had been exacerbated by the implementation of the new financial system (Colleague Financial) in FY 2012 and that the institution is currently updating its financial policies, procedures and controls, along with an evaluation and a testing cycle. However, the management letter for FY 2014 was not submitted for the Committee's review to determine validation of progress and compliance.

**CS 3.10.4 (Control of sponsored research/external funds), Recommendation 10**

*This standard expects an institution to maintain financial control over externally funded or sponsored research and programs.*



Mr. Eddie N. Moore, Jr.  
January 13, 2015  
Page Six

The letter from the United States Department of Education dated September 17, 2014, confirmed that the University's corrective action plan had been implemented, but the letter also states that the auditor will perform audit follow-up procedures in subsequent OMB Circular A-133 audits to verify that corrective actions have been implemented. Since the corrective action will be verified in subsequent audits, compliance could not be verified by the Committee.

**CS 3.11.1 (Control of physical resources), Recommendation 11**

*This standard expects an institution to exercise appropriate control over all its physical resources.*

The institution has increased the number of qualified personnel and has implemented systems to monitor and manage physical resources. However, without the FY 2014 management letter, the Committee was unable to confirm whether or not the institution has achieved appropriate controls.

As part of its response, the institution needs to provide verifiable evidence that appropriate controls are in place, implemented, and enforced.

**CS 3.13.1 (Policy compliance)**

*This standard expects an institution to comply with the following policies of the Commission on Colleges.*

The Committee on Fifth-Year Interim Reports noted that there appeared to be a lack of compliance with the policy concerning "accrediting decisions of other agencies". In its response, the institution provided a table with hyperlinks to letters from the 16 accrediting agencies with which the University has an accrediting relationship. The institution also stated that it represents itself in identical terms to each of these federally recognized agencies that accredit programs at the institution; however, supporting documentation was not provided. The Committee was therefore unable to determine if the institution consistently represents itself in identical terms across accrediting agencies.

Guidelines for the monitoring report are enclosed. Because it is essential that institutions follow these guidelines, **please make certain that those responsible for preparing the report receive the document. If there are any questions about the format, contact the Commission staff member assigned to your institution.** When submitting your report, please send **five copies** to your Commission staff member.

Because your institution has been placed on Probation, the Commission calls to your attention the enclosed policy entitled "Sanctions, Denial of Reaffirmation, and Removal from Membership."

Please note that with submission of this report, your institution will have submitted monitoring reports for a period of two years, concluding in December 2015. Federal regulations and Commission policy stipulate that if an institution does not demonstrate compliance with all the standards and requirements of the *Principles of Accreditation* within two years following initial





Mr. Eddie N. Moore, Jr.  
January 13, 2015  
Page Seven

action on the institution, representatives from the institution may be required to appear for a meeting on the record before the SACSCOC Board of Trustees, or one of its standing committees, to answer questions as to why the institution should not be removed from membership. If the Board of Trustees determines good cause at that time and the institution has not been on Probation for one year during the two-year monitoring period, the Board may extend the period for coming into compliance for a minimum of six months and a maximum of one year and must continue the institution on Probation. If the Board of Trustees does not determine good cause, the institution must be removed from membership. *(See enclosed Commission policy "Sanctions, Denial of Reaffirmation, and Removal from Membership," which includes the provisions for a determination of "good cause".)* ***Please note that institutions at the end of their two-year monitoring period should also include a report providing evidence supporting the conditions of "good cause" as described in the above referenced policy statement. The institution bears the burden of proof to provide evidence why SACSCOC Board of Trustees should not remove it from membership.***

In accordance with Commission policy, and as noted earlier, a Special Committee has been authorized to visit your institution to review evidence of compliance with the specific standards of the *Principles of Accreditation* cited in this notification letter. The Committee may extend its initial focus if any evidence of additional accreditation-related concerns comes to its attention. If an institution is cited for non-compliance with financial standards, the Committee will examine its effect on the other aspects of the institution to determine ongoing compliance with the standards. Your Commission staff member will contact you to discuss arrangements for this Special Committee.

If you have any questions regarding this letter or the process, please contact your Commission staff member.

Sincerely,

A handwritten signature in cursive script that reads "Belle S. Wheelan".

Belle S. Wheelan, Ph.D.  
President

BSW:ktf

Enclosures

cc: Mr. Thomas N. Chewning, Chair, Board of Trustees  
Dr. Claudette H. Williams, Vice President, SACSCOC