

Certification Advisory Council (CAC)

Tuesday, April 25, 2017

Summary Notes

Members Present: Donna Jurick, chair; Dianna Miller; Jennifer Ramm; Robert Rhodes

Members Absent: Melissa Armentor

Staff Present: Cathie A. Maeyaert; Garry Tomerlin

Others Present: Dr. Main Alqudah, Dr. Hamed Ghazali, and Dr. Basel Alqudwa, representing Al-Huda University

The webcast of this meeting is available at the following link:

<https://www.youtube.com/watch?v=cZ9hIcInBEA>

1. Welcome and introduction of CAC members

Cathie Maeyaert introduced Coordinating Board staff and asked Certification Advisory Council members to introduce themselves. Four members were present and constituted a quorum for the meeting. Three representatives of Al-Huda University also introduced themselves.

Donna Jurick, acted as chair for the meeting.

2. Consideration of Summary Notes from the January 31, 2017 meeting

Donna Jurick asked CAC members to review the January 31, 2017 meeting summary notes and asked for any revisions. No revisions were made. Dianna Miller made a motion to approve the January 31, 2017 notes. Jennifer Ramm seconded the motion. No further discussion. Motion to approve passed unanimously.

3. Discussion of Al-Huda University's Supplemental Report related to its application for a Certificate of Authority

Donna Jurick summarized the history of Al-Huda University's application for a Certificate of Authority. At the November 4, 2016 CAC meeting, the CAC postponed a recommendation regarding Al-Huda University. Al-Huda was asked to provide additional information for the CAC to consider at the January 2017 meeting. Subsequently, Al-Huda University asked for additional time to gather results of assessments they were doing regarding their institution. Al-Huda University brought additional information to consider at the current meeting. Donna Jurick reminded the CAC members that they received this supplemental report prior to the meeting.

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Donna Jurick asked the Al-Huda representatives to provide a five to ten minute overview of the supplemental report and the reasons that the institution believes it has now met all the Standards of Operation.

Dr. Hamed explained the two main concerns. First, was the concern with certain policies and procedures. These policies and procedures were not difficult to change. Second, was the concern with technical evaluations, such as assessments and how these are analyzed. Al-Huda University followed a scientific approach and came up with assessment data. For example, student achievement data for Arabic language was assessed by a third party test. All who took the test passed at the top two levels. The institution also looked at input from student and staff as stakeholders. Al-Huda University designed a survey through use of Coordinating Board standards and the institution's strategic plan. Based on the survey, an improvement plan was developed. Al-Huda University reviewed student learning outcomes, through both direct and indirect assessments. Dr. Hamed also explained how the strategic plan is reviewed to determine what items have been accomplished and what items need to continue to be addressed.

Donna Jurick asked for questions from CAC members.

Jennifer Ramm asked about the audit report and the amount received from donors. Ms. Ramm asked for the projected growth pattern and if tuition and fees would be a larger contributor to the finances. Dr. Basel explained that a successful school must have a solid endowment. Steps were taken to build relationships with the community from which they are seeking funds for the endowment. Al-Huda is starting on this process. Since the last report, the institution has also tripled real estate holdings to add to their portfolio. Al-Huda University is not seeking to raise tuition at this time. All strategies are built to involve society and community to support the institution, not on student tuition. Dr. Basel explained that the investment accounts were growing and financial goals are being met. Al-Huda University is also making proposals to large institutions that are known to support institutions such as Al-Huda University. Eighteen foundations have been contacted to-date.

Dr. Rhodes asked about qualifications of officers and changes made. Dr. Main explained that he as the CEO was also the Academic Dean of Islamic Studies, but has a PhD from an unaccredited university. The Board of Trustees qualified Dr. Main to teach in the Islamic Studies department and be the Director. To keep separation between administration and Board of Trustees, Dr. Main resigned from the Board. Dr. Hamed is Director of Islamic Education and Dr. Basel is Director of Islamic Finance. Dr. Hamed took over as Chief Academic Officer.

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Donna Jurick asked for clarification on whether Dr. Main is the only member of faculty serving on the basis of exceptional experience. Dr. Hamed explained Dr. Main's experience is well-recognized. No other faculty members are credentialed by experience and not by academic records. Dr. Hamed added that Dr. Main has a recognized master's degree that also qualifies him to teach.

Donna Jurick asked for an operating budget which would address tuition and endowment. Dr. Main explained that the Executive Committee submits a proposal to the Board of Trustees for a budget. Dr. Main then ensures that the budget approved is followed. Dr. Main confirmed that the institution is able to operate within the approved budget.

Donna Jurick asked if tuition is charged. Dr. Main explained that a nominal tuition fee of \$75 for undergraduate credit and \$125 for graduate credit is charged. The institution does not charge more because the university is not yet accredited. Dr. Main would like to raise the tuition and fees after accreditation is achieved so the budget is funded 50-60% by tuition. The Board of Trustees will make that decision. No international students are currently admitted. This may change once accreditation is achieved. International student tuition would be higher. Dr. Main affirmed that education is the mission, not receiving higher tuition.

Dr. Hamed explained his research of Islamic institutions. He described three stages in the life of any Islamic institution. The first two years are the critical stage where the institution either survives or does not. The next three to five years is the stability stage where the institution must maintain paying bills. The last stage is the professional stage where the institution gains more income, stability, and less concerns about survival. Dr. Hamed thinks Al-Huda University is at the end of stability state. Once accredited, they will start the final stage.

Robert Rhodes asked for the number of students needed to maintain an operational level with a stable budget. Dr. Main said the tuition and fees would need to be multiplied ten times to be operational based only on tuition. However, 50% of students are on scholarship or other financial assistance from the institution's designated funds. Once full accreditation is attained, more students will join the university. At this point, Al-Huda is not trying to increase tuition. One-tenth of the budget coming from tuition currently equals about 70-75 students. Dr. Hamed stated that the university is at the beginning stage. He has calculations from other institutions as to breaking even. At this time, Al-Huda is not breaking even through tuition, but on donations.

Donna Jurick noted that no students have graduated from the Master's programs at this time. Dr. Jurick asked about the expected completion rate. Dr. Hamed expects 90% will finish the Islamic Education program. Dr. Main noted that two students have earned a certificate in

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Islamic Education. Dr. Basel expects 90% completion in the Islamic Finance program, as the students in the program are professionals already working in the field and attempting to learn as much as possible to assist them in their jobs.

Garry Tomerlin spoke to sustainability of the model. The Coordinating Board needs to evaluate the possibility of a school not continuing and how students can be protected. The Coordinating Board represents the students of Texas. He understands the CAC members' questions are coming from the concern regarding protecting students.

Garry Tomerlin asked for more information on the eighteen grants applied for. Dr. Basel explained that Al-Huda wants a vibrant research department. The grants are focused on engaging students to conduct research with faculty. Grants are for economics research in the theory of contracts in Islamic Finance. This has been a core of Islamic Finance and has been sought by other schools. The area needs to be translated into English. Al-Huda feels they can provide this research.

Dr. Hamed said sustainability depends on people's interest in a project and the ability to survive. The interest is tremendous because there are no other Islamic institutions in the United States giving a professional degree in Islamic Finance. The financial and human resources to sustain this project is already in place. Al-Huda can't predict the future, but looking at the past and at other Islamic institutions, the chances for success are high. Dr. Main also reminded the CAC that the site evaluators found that financial resources standards were met. Dr. Main said that currently there are no financial deficits and the institution continues to receive more contributions every year. The community is very supportive of education. Dr. Hamed said tuition income will increase with time. Dr. Main said that employees are now offered life and health insurance. This adds to facts that Al-Huda University is financially stable.

Donna Jurick noted that the institution is requesting approval for master's-level degrees and will ultimately seek regional accreditation. Dr. Jurick asked for an explanation of how the master's level is building on a lower level and is at an advanced level of education. Dr. Hamed compared Al-Huda's degree with other institutions. Dr. Hamed has experience teaching same courses at Kansas State University. Al-Huda's courses are at the same level as other institutions of which Dr. Hamed is familiar. Al-Huda also looks at the incoming students to ensure they are prepared to work at an advanced level. Admissions criteria ensures the same rigor as other universities. A GPA of 3.0 and English language proficiency are factors. Al-Huda University will consider adding the GRE in the next year.

4. Consideration of the application of Al-Huda University for a Certificate of Authority

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Hearing no more questions or comments, Donna Jurick moved to the consideration of the application by Al-Huda University to offer a Master's in Islamic Education and a Master's in Islamic Finance. The Certification Advisory Council is tasked with making a recommendation to the Commissioner and to the Coordinating Board. Dr. Jurick asked for a motion and second to either recommend approval or recommend denial of the Al-Huda University's application for a Certificate of Authority.

Dianna Miller made a motion to recommend approval of the Al-Huda University application for a Certificate of Authority. Jennifer Ramm seconded the motion. Donna Jurick asked for discussion of the motion.

Robert Rhodes commented that Al-Huda University has addressed the concerns raised by the site evaluation team. Dr. Rhodes said it would be prudent to have another campus visit to walk through the more technical layers of the improvements made. Dr. Rhodes understands that another site visit is outside the breadth of the CAC's process, which is to review the written report and response.

Garry Tomerlin asked Cathie Maeyaert to explain the approval process. Ms. Maeyaert reiterated the process. The Certificate of Authority is a two year certificate. Every two years, Al-Huda University will need to reapply, provide the same information as in the initial application, but also where they have made improvements or progress. They will report any progress toward accreditation, adding additional services, more faculty, or reporting additional faculty credentials. Four Certificates of Authority can be issued for a total of eight years. At the end of eight years, the institution is required to have recognized accreditation. The institution can choose to apply to SACS or another recognized accreditor.

Garry Tomerlin described the Certificate of Authority process as a provisional approval process. Dr. Tomerlin used the rhetorical question, "What did Baylor look like on the first day?" He doesn't want the Coordinating Board to be an agency that thwarts the next great university, but at the same time also protects students. Dr. Tomerlin stated we need to balance interests of students with the institution's goals. Dr. Tomerlin said the Coordinating Board's process is to allow schools to start, but not allow them to operate in perpetuity if they can't meet accreditation standards.

Dr. Main emphasized that Al-Huda University has been working on SACS accreditation since start of the institution. Once the Certificate of Authority is received, they will continue with the accreditation process. Dr. Hamed stated his appreciation with the process which assisted Al-Huda in strengthening itself.

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Hearing no more discussion, Donna Jurick called for a vote. The motion passed unanimously to recommend approval of the Al-Huda University application for a Certificate of Authority.

Donna Jurick thanked the institution for its work done after the last CAC meeting. She noted that Al-Huda had taken the comments and really worked to improve its processes.

5. Staff update on upcoming meeting dates, member terms, and estimation of meeting costs

Donna Jurick asked Cathie Maeyaert to provide an update to the CAC. Ms. Maeyaert provided information on the next CAC meetings, scheduled for Tuesday, July 25, 2017 and Tuesday, October 24, 2017. Ms. Maeyaert asked the CAC members to block those dates on calendars so they are available to attend these meetings. Ms. Maeyaert reminded members of the need for a quorum.

The current terms for Carolyn Wilson Green, Robert Rhodes, and Melissa Armentor will end July 31, 2017. Both Robert Rhodes and Melissa Armentor have been re-nominated for another two-year term. Another member from a public institution will be nominated for the third opening. The Coordinating Board will consider nominations at its July 2017 CB meeting.

CAC members were reminded to email a summary of meeting expenses. Staff is required to report the amount advisory committee members expend for meetings.

6. Adjournment

Donna Jurick thanked all for attending and asked for a motion to adjourn. Motion to adjourn by Dianna Miller. Meeting was adjourned.