

University of Santa Monica

Benchmark Analysis

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TABLE OF CONTENTS

1. BACKGROUND AND PURPOSE	3
2. FINDINGS	4
3. SUMMARY PROFILES	6
4. FOUNDERS	6
5. MISSION STATEMENTS	7
6. ACCREDITATION	7
7. NATIONAL RANKING	8
8. MAJOR AFFILIATIONS	8
9. BENCHMARK RESULTS	9
10. ABOUT THE AUTHOR	13

1. BACKGROUND AND PURPOSE

This report benchmarks the University of Santa Monica (USM) against two other schools, which act as proxies for the basic attributes of U.S. private, co-ed colleges and universities. The purpose of this report is to determine if USM deviates substantially from the profiles of these benchmark schools.

Benchmark Schools

The two benchmark schools are Leslie University (Lesley) in Cambridge, MA and the Pacific Union College (PUC) in Angwin, CA. These schools were chosen because:

- Both nationally accredited private colleges (Lesley also has post-graduate university programs)
- They represent schools on both U.S. coasts
- Leslie has the typical academic and social attributes of a private college and university
- PUC has the typical academic and social attributes of a private college with a religious affiliation

Benchmark Information

USM is benchmarked against PUC and Lesley in the following areas:

- Accreditation
- Size
- Curriculum
- Financials
- Board of Trustees and Key Employees
- Faculty
- Student Body
- Alumni
- Admissions
- Campus Life

Sources of Information

All information is taken from the following sources unless otherwise indicated:

- 2010 IRS Form 990
- School web site
- COLLEGEdata
- Wikipedia (for founder profiles, cross referenced with school profiles)

2. FINDINGS

Misleading Organizational Positioning

USM deviates significantly from the benchmark criteria of PUC and Lesley. The number and significance of these deviations leads us to postulate that USM is neither a university nor a college in the generally accepted definitions of the terms, but rather a training organization for USM's views and beliefs and how they manifest themselves in the post-USM careers of USM graduates.

These deviations include:

- Too small in revenue and student body to be a private college or university
- No national accreditation
- Curricula is extremely narrow, limited to one subject with only two degrees, rather than teaching broad knowledge and critical thinking with multiple majors and degrees
- Emphasis on teaching ideology and its practice rather than teaching objective facts and critical thinking
- No full-time faculty
- Less dependent on program-related revenue than other schools, more dependent on gifts and contributions
- No larger community other than classes
- No physical campus with residential housing

In fact, USM's mission statement spells out its mission to proselytize its beliefs, saying that it is dedicated to "communicating the principles and practices of Spiritual Psychology worldwide through the process of Soul-Centered Education". In other words, it is training students in the process of Soul-Centered Education so they can teach the principles and practices of USM's ideology, Spiritual Psychology, worldwide.

Other significant areas of deviation from the benchmark criteria, further cementing our view that USM is neither a college nor a university, include:

Misleading Academic Positioning

We find USM to be misleading to prospective students in the following ways:

- The school is not nationally accredited, but wording in school literature could lead students to believe that it is nationally accredited. Without accreditation, USM students do not qualify for government financial aid and USM credits are not transferrable to U.S. colleges and universities.
- There is no full-time faculty. All faculty members are part-time and have other full-time jobs. School literature does not mention this key fact.
- USM calls its programs "Master of Arts" and "Graduate Programs", which could easily be confused with offering post-graduate master's programs. In fact, the school offers no accredited educational programs and thus can offer no generally accepted post-graduate programs.

- USM claims that students need a BA for entry, when, in fact, USM will accept students with high-school diplomas or GED equivalents. This positioning can mislead prospective students that the school offers a post-graduate program and degree.
- The misleading nomenclature can also suggest to the general public that alumni of USM have nationally accredited masters or graduate degrees and training.

Financials Advantageous to Management

Most universities pay lower relative salaries to its senior employees than business of a similar size. USM's practice is skewed towards paying senior management, a married couple, far more than the benchmark schools and more than most private companies of its size:

- Expenses are highly skewed toward paying management salaries and expenses. 37% of all expenses go to the 'management and general' category, vs. 15% for other schools.
- USM has, in effect, two leaders – the husband and wife co-founders Dr. H. Ronald Hulnick and Dr. Mary R. Hulnick. Together, their salaries are 19% of all salaries vs. 1% for other schools.

Non-disclosure of Major Affiliations / Insular Culture

All trustees, leadership, and faculty have ties to organizations founded by USM's founder, Roger Hinkins, but there is no public disclosure of the overall influence that Hinkins has via his organizations upon the entire school body:

- Trustees either graduated from USM and/or have ties to Hinkins organizations, including Insight Seminars, MSIA, and the Freedom to Choose Foundation
- 25% of faculty graduated from the Peace Theological Seminary, another Hinkins founded school
- 100% of faculty graduated from USM

No Independent Governance

Universities must scrupulously maintain an independent and objective Board of Trustees in order to attract top faculty talent and government grants and assistance. By contrast, USM's Board is insular and highly biased:

- All trustees are associated with Hinkins organizations
- There are only 8 trustees – very small for this size non-profit organization
- None are leaders in fields other than Hinkins-related, none have independent national organizational affiliations, none are recognized as experienced business, educational, or non-profit leaders.

3. SUMMARY PROFILES

	USM	PUC	Lesley
Structure	501(c)3 corporation	501(c)3 corporation	501(c)3 corporation
Location	Santa Monica, CA	Angwin, CA	Cambridge, MA
Founded	1976	1882	1909
Founders	Roger Delano Hinkins	Seventh-day Adventist Church	Edith Lesley
Co-ed	Yes	Yes	Yes
Accreditation	No	Yes	Yes
National Ranking	No	Yes	Yes
Major Affiliations	Yes - undisclosed	Yes - disclosed	Yes - disclosed

4. FOUNDERS

USM, founded 1976 by Roger Delano Hinkins

Roger Delano Hinkins (born 24 September 1934), known and published as John-Roger, is an American author, public speaker, and founder of the Movement of Spiritual Inner Awareness (MSIA), the University of Santa Monica, the Peace Theological Seminary & College of Philosophy, Insight Seminars, Heartfelt Foundation, and the Institute for Individual and World Peace, among others.

In the 1980s and early 1990s, several former members of MSIA accused Hinkins of various crimes and abuses, including high-tech charlatanism, the sexual coercion of young male staffers, brainwashing and intimidation, and plagiarism.*

*Wikipedia

Pacific Union College, founded 1882 by the Seventh-day Adventist Church

The Seventh-day Adventist Church is a Protestant Christian denomination, formally established in 1863. It has a worldwide baptized membership of about 16.3 million people and is the twelfth-largest religious body in the world. It has a missionary presence in over 200 countries and territories and is ethnically and culturally diverse. The church operates numerous schools, hospitals and publishing houses worldwide, as well as a humanitarian aid organization known as the Adventist Development and Relief Agency (ADRA).

Lesley University, founded 1909 by Edith Lesley

Lesley was founded in 1909 by Edith Lesley as a teacher-training school for kindergarten teachers at a time when the kindergarten movement was an emerging idea and the preparation of women for careers outside the home a radical notion. The Lesley School prepared women for careers in kindergarten and early education classrooms throughout the century -- growing into Lesley College in 1945, and Lesley University in 2000.

5. MISSION STATEMENTS

University of Santa Monica

The University of Santa Monica is dedicated to communicating the principles and practices of Spiritual Psychology worldwide through the process of Soul-Centered Education.

Pacific Union College

Pacific Union College is a Seventh-day Adventist learning community offering an excellent Christ-centered education that prepares its students for productive lives of useful human service and uncompromising personal integrity.

Lesley University

Lesley University is committed to active learning, scholarly research, critical inquiry, and diverse forms of artistic practice through close mentoring relationships among students, faculty, and practitioners in the field. Lesley prepares graduates with the knowledge, skill, understanding, and ethical judgment to be catalysts who shape a more just, humane, and sustainable world.

6. ACCREDITATION

University of Santa Monica

The institution lacks nationally recognized educational accreditation. Thus, students are not eligible for government financial aid, nor are class credits generally transferrable to U.S. colleges and universities.

In 1992 and in 2010 USM received state government authorization to grant degrees in the state of California by the California Bureau for Private Postsecondary and Vocational Education (BPPVE), and its replacement bureau the California Bureau for Private Postsecondary Education, the agency that replaced the BPPVE.

Pacific Union College

Western Association of Schools and Colleges. Accredited in 05/30/1951

Lesley University

New England Association of Schools and Colleges, Commission on Institutions of Higher Education. Accredited 12/01/1952

7. NATIONAL RANKING

USM

USM is not accredited and thus it is not ranked by any of the generally accepted ranking organizations.

Pacific Union

Tier 2, U.S. News Ranking for Best Colleges, National Liberal Arts Colleges

Lesley University

#82 U.S. News Ranking for Regional Universities (North)

8. MAJOR AFFILIATIONS

USM: No Disclosure

All trustees, leadership, and faculty have ties to organizations founded by USM's founder, Roger Hinkins, but there is no public disclosure of the overall influence that Hinkins has via his organizations upon the entire school body:

- Trustees either graduated from USM and/or have ties to Hinkins organizations:
 - Matthew Moltich – Insight Seminars, Secretary and Chairman of the Board
 - John Morton – MSIA, Director
 - Scott Mednick – Freedom to Choose Foundation
- 25% of faculty graduated from the Peace Theological Seminary, another Hinkins founded school
- 100% of faculty graduated from USM
- Note: USM's Form 990 states that USM gave \$22,000 in contributions to MSIA, Hinkin's flagship organization. Neither PUC nor Lesley gives contributions to other organizations.

PUC: Full Disclosure

The school was founded and is run by the Seventh-Day Adventist Church. Many trustees are senior leaders within the Seventh Day Adventist Church. Many faculty members attended Andrews University, the flagship educational institution of the Seventh-day Adventists.

Lesley: Full Disclosure

Lesley is affiliated with the National Association of Schools of Art and Design and the New England Collegiate Conference. Lesley has multiple affiliations and partnerships within all of its degree programs with other major colleges, universities, and organizations.

9. BENCHMARK RESULTS

Size

	USM*	PUC	Lesley
Revenue	\$5,656,116	\$50,947,357	\$115,340,367
Assets	\$5,449,910	\$84,344,334	\$317,124,368
Endowment	\$0	\$19,287,825	\$147,161,485
Students	561	1500	8690**
Employees	56	1330	2399

* Revenue of \$5.7 million is far from adequate to fund a proper college or university with multiple programs, degrees, and associated faculty and staff

** Lesley reflects total students; undergraduate is 1940, graduate is 6750. We are using total because USM calls itself a University.

Curriculum

	USM*	PUC	Lesley
Undergraduate majors	-	34	21
Master's programs	-	-	27
Doctoral programs	-	-	17
Two-year program	1	-	-
Three-year program	1	-	-

* USM's offering, limited to basically one program with a two and three year option is indicative of a training organization such as ITT Tech, not a private college or university.

Note: USM calls its programs "Master of Arts" and "Graduate Programs", which could easily be confused with offering post-graduate master's programs. In fact, the school offers no accredited educational programs and thus can offer no generally accepted recognized post-graduate programs.

Financials:

Revenue categories as percent of total revenue:

% of total revenue	USM	PUC	Lesley
Contributions, gifts, grants, etc.	15%*	10%	7%
Program services	85%	88%	89%
Other revenue	0%	3%	4%

* USM is more dependent on gifts than PUC or Lesley, but does not have to disclose major donors under federal tax law.

Expense categories as percent of total expenses:

as % of total expenses	USM	PUC	Lesley
Program services	72%	85%	85%
Management and general	37%*	15%	15%
Fundraising	27%**	13%	13%

* Expenses are highly skewed toward paying management salaries and expenses. 37% of all expenses go to 'management and general' category, vs. 15% for other schools.

** Fundraising expenses are higher, reflecting greater dependence upon contributions and gifts rather than program services revenue.

Board of Trustees and Key Employees:**Trustees**

	USM	PUC	Lesley
Trustees	8	21	30
Compensated	No	No	No
>25% graduates	DK*	No	No
>25% similar affiliations	Yes** (undisclosed)	Yes*** (full disclosure)	No

* Lack of information about USM board members is anomalous and suspect, lacking full disclosure of independence and objectivity.

** All board members have ties to Roger Hinkins via USM, and three members have ties to other Hinkin's organizations:

- Matthew Moltich – Insight Seminars, Secretary and Chairman of the Board
- John Morton – MSIA, Director
- Scott Mednick – Freedom to Choose Foundation

*** Many board members are senior leaders within the Seventh Day Adventist Church.

Note: PUC and Lesley trustees are leaders in their fields of business, law, education, medicine, or non-profit organizations. Most PUC trustees have independent national organizational affiliations other than with the Church.

Key Employees making > \$100K annual salary

	USM	PUC	Lesley
Key employees	5	1	14
Total salaries	\$766,502	\$210,800*	\$1,132,571

* PUC is the only school that has one employee who makes over \$100K salary – the president.

President

	USM*	USM*	PUC	Lesley
Graduate of school	No	No	No	No
Salary	\$226,615	\$453,230	\$210,800	\$380,129
% of key employee salaries	30%**	59%**	100%	34%
% of total employee salaries	10%**	19%**	1%	1%

* Dr. H. Ronald Hulnick and his wife Dr. Mary R. Hulnick are referred to as the Leaders of USM, and both make \$226,615 annual salary, so we analyzed the effect of both salaries and just one salary. We consider the two salary scenario to be indicative of the leadership structure of the school.

** As is evident, USM is far more generous to its President(s) than the other schools.

Faculty

	USM	PUC	Lesley
Full-time	0	86	65
Part-time	20	11	188
> 25% graduates	Yes, 100%	Yes**	No
>25% similar affiliations	Yes*	Yes**	No

Note: USM nomenclature is misleading. It has no full-time faculty:

- All faculty have their own, full time private practices in the areas of psychology, social services, medicine, and consulting / training
- Many live in states other than CA
- 25% graduated from Peace Theological Seminary, founded by Rodger Hinkins

** Andrews University, the flagship educational institution of the Seventh-day Adventists. About half of these PUC grads teach in the school's specialties of education, nursing, and social work.

Student Body

	USM*	PUC	Lesley
Total	516	1500	8690
Men	NA	56%	23%
Women	NA	44%	77%

Alumni

	USM*	PUC	Lesley
Alumni	NA	>50,000	76,200
Major Fields	NA	Healthcare, teaching, social services, religion	Teaching, arts, sciences

* Lack of information available for USM's student body and alumni is suspect as the demographics of these groups are usually important sales and marketing tools for schools to attract new students, donors, administration, and faculty.

Admissions

	USM	PUC	Lesley
High school diploma or GED	Yes	Yes	Yes
SAT or ACT	No	Yes	Yes
Recommendations	Yes	Yes	Yes
GPA minimum	No	Yes	Yes

* USM claims that students need a BA for entry, when, in fact, USM will accept students with high-school diplomas or GEDs. This can lead prospective students to believe the school offers a post-graduate program.

Campus Life

	USM**	PUC	Lesley
Groups and activities*	NA	>25	>50
Sports – collegiate and recreational	NA	14	6
Sports conference	NA	National Assoc. Intercollegiate Athletics	NCAA Division III
Students living on campus	0%	70%	57%

* Academic, religious, ethnic, musical, literary, drama, student government, hobbies, fraternities, sororities, ROTC, etc.

** Lack of campus life is a key indicator that USM is neither a college nor a university, which both necessitate thriving campus communities to stimulate intellectual and cultural student participation as a key part of the learning process.

10. ABOUT THE AUTHOR

The author of this report has twenty years experience analyzing for-profit and non-profit organizations. He has worked as an equity analyst on Wall Street, an investment analyst with at top venture capital firm, and founded an influential boutique management consulting firm that has helped companies worldwide to out-perform their markets and their competitors. He has consulted to and advised numerous non-profit boards of trustees on issues related to governance, organizational effectiveness, and financial management.