

Site Visit Evaluation Report

American University of the Caribbean School of Medicine St. Maarten, Netherlands Antilles

June 27-28, 2011

BACKGROUND

An on-site evaluation visit to the American University of the Caribbean School of Medicine (AUC) was conducted on June 27-28, 2011. This evaluation was done at the request of the Texas Higher Education Coordinating Board (THECB) staff as part of the review of the institution's application for a Certificate of Authority to award credit for clerkships and clinical electives offered at accredited training hospitals and medical schools in Texas. The drafting and finalization of formal affiliation agreements with particular institutions is pending receipt of the requested Certificate of Authority. Copies of those written agreements will be provided to the THECB once the Certificate of Authority is approved.

The site visit team consisted of Frank A. Simon, MD, Chair, Senior Scholar, Foundation for Advancement of International Medical Education and Research (FAIMER) and Barry T. Linger, EdD, Senior Associate Dean for Medical Education and Faculty Development, Florida Atlantic University. Support for the site visit team was provided by Mr. Fred White from the Coordinating Board staff.

The mission of AUC is "to provide qualified students of diverse backgrounds with an excellent medical education within an atmosphere of academic integrity and scholarship that fosters the highest standards in professional ethics and competence." The school indicates that it is "dedicated to developing physicians with a lifelong commitment to patient care, centered research, public health and community service."

In January 1978 the school was chartered by the Government of Montserrat to operate on the island of Montserrat. After a volcanic eruption destroyed the campus in Plymouth, Montserrat in July 1995, AUC relocated to St. Maarten, Netherlands Antilles and incorporated as the American University of the Caribbean, N.V. Copies of the Certificates of Incorporation for both entities were provided.

OBSERVATIONS

This report represents the observations of the visiting team with respect to compliance with the standards outlined in Chapter 7, *Degree Granting Colleges and Universities Other Than Texas Public Institutions*, Subchapter A, *General Provisions*, Rule §7.4, effective December 6, 2009. The report is based on information available in the institution's application, institutional documents, and through on-site interviews and observations at the time of the site visit.

Standard 1: Legal Compliance. At the time of the site visit, the request for a certificate of approval or a letter of exemption from the Texas Workforce Commission was still under consideration by the Commission. AUC officials advised the members of the team that the document will be filed with the THECB upon its receipt.

The institution has never been cited by any government authority for any deficiencies or violations of relevant laws or ordinances. It is accredited by the Accreditation Commission on Colleges of Medicine (ACCM) which is an independent not-for-profit organization based in the Republic of Ireland that is responsible to the governments of St Maarten, the Island Territory of Saba, the Cayman Islands and Nevis for accreditation of one medical school in each jurisdiction. The ACCM reports to each island government and to the National Committee on Foreign Medical Education and Accreditation of the US Department of Education (NCFMEA).

The campus facilities are inspected regularly for safety and health violations. All hallways, emergency exits are clear and safe for emergency situations. Facilities include auxiliary generators and a desalination plant. An emergency plan that includes hurricane preparedness is in place.

Standard 2: Qualifications of Institutional Officers. Yife Tien, BSc, is the Chief Executive Officer and Chief Operating Officer of AUC. He has over 25 years of senior management experience in medical education and extensive experience in strategic planning, organizational leadership, operations and administration, business development, and regulatory affairs.

Bruce L. Kaplan, DO, is the Chief Academic Officer. He received his DO degree from the College of Osteopathic Medicine and Surgery in Des Moines, Iowa in 1975 and completed a fellowship in Rheumatology and Clinical Immunology in the Department of Internal Medicine at Wayne State University School of Medicine in Detroit, Michigan. In addition to his position at AUC he holds two faculty appointments in the US, Clinical Associate Professor of Medicine at Wayne State University School of Medicine and Clinical Professor of Medicine at Michigan State University School of Osteopathic Medicine. He also serves as the Chief of Rheumatology at Providence Hospital in Southfield, Michigan and identifies an office in that hospital as his address of record. Providence Hospital serves as the main teaching hospital for clinical clerks in the US. He is present on the St. Maarten campus as needed, approximately 3-4 times/year.

The Dean of Medical Science, Ronald J. Testa, PhD, serves as Dr. Kaplan's surrogate on the St. Maarten campus of the medical school. Dr. Testa received his terminal degree in psychology from the University of South Florida. He served as AUC's first Associate Dean for Student Affairs, joining the faculty in February 2006 and was named to his present position in April 2010. He is in weekly telephone contact with Dr. Kaplan and has full delegated authority to execute plans for the St. Maarten campus including the hiring and firing of faculty.

The remaining decanal appointments are filled with well-qualified individuals with terminal degrees that are appropriate for their roles in the institution. The clinical deans hold positions at hospitals in the US and UK and serve part-time as administrators for AUC. All administrative appointments related to medical sciences, academic affairs, and medical education are full-time.

Standard 3: Governance. The Bylaws of the University Board of Trustees of AUC, N.V. that became effective on August 10, 2010 established a board with a maximum of eight trustees to govern the institution. At the present time, only six trustees serve on the board. The membership of the board is diverse including two world-recognized leaders in medical education as well as an alumnus, a senior healthcare executive, a former dean of medical science at AUC, and an attorney with experience in health law. The Board of Trustees meets four times per year. One meeting is held in St. Maarten and the remaining three are in Miami.

The chair of the board is Robert J. Sokol, MD. He is well qualified to serve in that role with a strong research and administrative background. His research has been supported with approximately \$250 million in grants and contracts, mainly from the National Institute of Health (NIH). He has served as chair of the Department of Obstetrics and Gynecology and as Dean and Senior Vice President for Medical Affairs at Wayne State University School of Medicine/Detroit Medical Center.

The bylaws clearly establish the powers and responsibilities of the trustees and the officers of the board. Trustees are responsible for strategic and short-term planning. Members of the board are dedicated to the continuing success of the institution. A conflict of interest policy is included in the bylaws. Trustees must sign a disclosure statement of material interests annually. Members of the Board receive no financial compensation, employment benefits, or financial gain for their participation except for reimbursement for reasonable expenses.

Standard 4: Distinction of Roles. The University Board of Trustees (UBT) is an independent and voluntary entity that constitutes the highest authoritative body within the University. Trustees are independent of the University administration. The Chief Executive and Chief Operating Officers of the University may attend meetings of the board but cannot serve as trustees.

To promote institutional stability and continuity the initial members of the UBT were the managing directors of AUC at the time of the adoption of the bylaws. Candidates for new trustee positions are brought before the UBT for nomination by a majority vote. Nominated trustees are appointed by the Board of Managing Directors. The roles of the officers of the UBT are clearly defined and do not overlap with those of the administrators of the University.

AUC's Medical Education Administrative Services (MEAS) office is based in Coral Gables, Florida. Separate organizational charts exist for the academic organization and the administrative services.

Many members of the decanal administration have served in multiple positions and are knowledgeable about various administrative roles. The only administrative vacancy is the Associate Dean for Student Affairs that has been filled on an interim basis for the past year. Fortunately, other deans have served in this position and have been able to effectively meet the needs of the institution. Plans are in place to fill this position by September 2011.

Standard 5: Financial Resources and Stability. The financial reserves of the institution are \$32,000,000. The principal revenue sources are tuition and fees. The audited financial statement for 2010 reported a net income of \$19,942,001. Past financial performance and future projections indicate that the institution is fiscally sound and able to provide the educational program as described for the number of students enrolled.

Standard 6: Financial Records. The financial records of the institution are maintained in accordance with the General Accepted Accounting Principles (GAAP). The most recent independent audit for the fiscal year ending December 31, 2010 was conducted by a firm of certified public accountants in Savannah, Georgia and was provided to the site visit team. It is scheduled to be presented at the next meetings of the University Board of Trustees and the Board of Directors.

The guidelines of the National Association of College and University Business Officers as set forth in "Financial Accounting and Reporting Manual for Higher Education (FARM)" were not used in preparing the records. However, the GAAP provide appropriate reassurances that the information provided in the financial statements are an accurate reflection of the state of the institution.

Standard 7: Institutional Assessment. As part of the accreditation process required by the Accreditation Commission on Colleges of Medicine (ACCM), the school undergoes a complete self analysis every six years. This process includes a detailed review of all elements of the institution including the basic science and clinical curriculum, faculty, students, student services,

and facilities. The standards of the ACCM have been determined by a committee of the US Department of Education to be comparable to those of the Liaison Committee on Medical Education (LCME) which is the accrediting body for medical schools in the US and Canada.

Regular reporting to the Medical Board of California, the New York State Department of Education-Office of Professions, and the State of Florida is required for the purposes of either conducting clinical clerkships or for eligibility for physician licensure or both.

The Basic Medical Sciences Faculty Manual identifies seven standing committees of the faculty. These include committees for admissions, curriculum, and student evaluation and promotion. The charges to these committees were provided at the time of the site visit. Key word analysis of standardized tests prepared by the National Board of Medical Examiners is used by the deans and the curriculum committee to evaluate program content and delivery. Students are required to complete evaluations of medical science courses and clinical clerkships. The feedback is used for faculty assessment and curriculum evaluation. It was determined that this structure provided for appropriate evaluation of the curriculum. Formal opportunities to improve faculty performance provided by the institution are primarily part of the Annual Faculty Symposium and are described in detail under Standard 12.

The Annual Faculty Symposium on the AUC medical science campus includes faculty from affiliated clinical hospitals who participate in workshops and meetings with medical science faculty focusing on curriculum integration across clinical teaching sites. A special report from an external consultant on vertical integration between the medical science portion of the curriculum and the clinical clerkships was presented at the Symposium in June 2011 and to the UBT. Student achievement, student evaluations and faculty feedback are also reviewed at this event.

Standard 8: Institutional Evaluation. The school is required to submit an annual report to ACCM that provides updates on changes in faculty or curriculum, current admissions statistics, student United States Medical Licensing Examination (USMLE) performance rates, graduation and placement data, minutes of all faculty committees, internal site visit reports to core clinical teaching hospitals, and most recent Federal student loan default rate. These reports serve as the outcome performance metrics for the school.

In the year September 2009-August 2010, AUC matriculated 380 students with an average GPA of 3.26 and MCAT score of 25. The performance of the students on these measures was slightly below the averages for students accepted at US medical schools. However, AUC students perform as well as US medical students on USMLE Step 1. For the 2009-2010 academic period students had a 94% first-time pass rate and a mean score of 218. The mean score on USMLE Step 2 Clinical Knowledge (CK) was 212 with a first-time pass rate of 94%. The first-time pass

rate for USMLE Step 2 Clinical Skills (CS) was 96%. The retention rate from 2005 through 2007 varied between 75 and 79%. Almost all of the attrition occurs during the first two years.

From July 2009-June 2010 AUC graduated 240 students, of whom 90% reported a post-graduate residency placement in a program accredited by the Accreditation Council for Graduate Medical Education (ACGME). Of the 205 graduates from July 2010-June 2011 who were eligible for residency training, 63% secured positions through the Match with an overall placement of 178 or 87%. The principle specialties were Internal Medicine and Family Medicine and the primary states were New York and Michigan where a majority of undergraduate clinical training occurs.

Performance data on USMLE Step 3 was not available. Information about the location of practicing graduates was provided upon request of the site visitors. Graduates are licensed or work in virtually every state including Hawaii and Washington DC. Practice specialties are heavily weighted toward primary care but include a wide variety of other specialties and subspecialties.

Standard 9: Administrative Resources. Administrative services under the leadership of the CEO are located in Coral Gables, Florida and include the business operations, legal counsel, financial affairs, non-academic student services, and clinical student affairs. Academic administrative services are under the leadership of the Chief Academic Officer who is supported by a full complement of deans. There is a clinical dean for the curriculum offered in the US and a second clinical dean for education in the United Kingdom and Ireland. Adequate support staff is available to provide administrative assistance as required to the deans, department chairs, and faculty members. These resources are appropriate for operating the medical school.

There are approximately 40 clinical sites that offer core clerkships for AUC students. All clinical sites in the US have a residency program approved by the ACGME or are affiliated with a medical school that is accredited by the LCME. Each affiliated hospital has on staff a clinical program director, faculty members, and a medical education coordinator. Program directors are responsible to the clinical dean for implementing the published requirements of the clinical curriculum. This model of supervision will be applied to clinical sites in Texas following the awarding of a certificate of authority and the development of affiliation agreements.

Library, information technology, and physical facilities are described in detail in Standards 17 and 18 and are adequate to support AUC's mission and programs.

Standard 10: Student Admission. AUC requires a baccalaureate degree from an accredited university to be obtained as a condition of matriculation. Additionally, all incoming students are required to take the MCAT. The average GPA and MCAT scores for entering students from September 2009-August 2010 are previously noted in Standard 8. Applicants for admission who

have attended a foreign school must request that World Education Services, Inc. issue a full credential evaluation that includes the name and location of the foreign institution, the institution's equivalency to accredited US institutions, verification of the foreign transcript's authenticity, degree equivalent or years of study in comparison to a US accredited institution, courses acceptable for US institution credit, and a cumulative GPA and credit hours for acceptable coursework.

Evaluation for admission is conducted on an individual basis. Students accepted to AUC are selected for their intellectual and social maturity as well as their wide educational and social backgrounds. Problem-solving skills, critical judgment, and the ability to pursue independent study are also highly considered. When evaluating academic achievement, the Committee considers factors such as course load, difficulty of the courses, and major areas of study. In the non-academic area, maturity, emotional and motivational factors, and personal integrity are considered essential determinants. A personal interview is only granted at the discretion of the Admissions Committee and is based on exceptional criteria.

The school attracts large applicant pools that possess the qualifications to fill the entering classes. There is no deadline to apply due to the rolling admissions policy. Prospective students are advised to plan on completing their applications four to five months prior to the term they are seeking. Semester terms begin in September, January and May. AUC neither seeks nor encourages applications from students wishing to apply for advanced standing. Acceptance of transfer credit is dependent on the medical school and course comparability and is at the discretion of AUC.

The admissions process is adequately described on the AUC website and in the Catalog. There are adequate critical resources to educate the entering classes.

Standard 11: Faculty Qualifications. Faculty curriculum vitas were made available for review prior to and during the site visit. All full-time teaching faculty members have a doctoral degree and previous experience in their teaching discipline. Clinical faculty members are identified by discipline at each of the clinical affiliates and have appropriate experience to teach the clerkships based on their appointments to the medical staff at teaching institutions.

The institution has a very comprehensive faculty manual that is distributed to each faculty member at orientation at the time of hiring. The handbook addresses the school's history and purpose, institutional objectives, governance, faculty rights, academic responsibilities, faculty benefits and faculty-student relationships. AUC does not include tenure in their operational and hiring model. They hire faculty on one or two year contracts.

Standard 12: Faculty Size. The college report lists 23 full-time faculty members, and three non-teaching faculty members. In addition to the full-time faculty, the college employs

numerous adjunct/ visiting faculty members. There is high level of continuity in visiting faculty teaching assignments in the basic science courses that supplements full-time faculty appointments. The faculty is remarkably stable.

During the site visit, the team was made aware of 11 vacancies in the full-time basic science faculty complement. Even with these vacancies, the combined current faculty resources of full-time and visiting faculty are adequate to deliver the curriculum for projected entering classes and to serve on the standing faculty committees.

The full-time faculty members have adequate educational support. Administrative duties are primarily assigned to those individuals and provide appropriate participation in administrative and academic decisions affecting the quality of the curriculum and the progression of students through the program.

While the college does provide some internal opportunities for faculty development, it has been principally based on attendance at extramural offerings. Plans are being developed to enhance the college's faculty development program. A schedule for faculty development activities for the remainder of 2011 was provided following the site visit that includes about two seminars per month on a variety of topics related to medical education.

Standard 13: Academic Freedom and Faculty Security. The AUC faculty manual includes a section on academic freedom. Faculty members are entitled to freedom in the classroom regarding course content, but must not introduce controversial matters that do not relate to the course content.

Policies and procedures related to evaluation, reappointment, promotion, and termination/ non-renewal are included in the faculty manual. Faculty members are evaluated at least annually if not more frequently and student evaluations of the faculty member are included in this evaluation.

Faculty members are usually given a one or two year contract. The contracts are signed by the Chief Academic Officer and the faculty member.

There are explicit policies in place that address conflict of interest issues relating to the private interests of faculty members and their instructional responsibilities.

Standard 14: Curriculum. American University of the Caribbean's medical school curriculum consists of 9.5 semesters: 5 semesters of Medical Sciences taught at the St. Maarten campus, and 4.5 semesters of Clinical Medical Sciences taught at affiliated hospitals in the United States and England. The curriculum is logically designed and includes the subjects and disciplines required by the medical education accrediting bodies. Curricular decisions are made by the faculty through the curriculum committee.

The medical sciences portion of the curriculum includes courses in the traditional basic science disciplines and “Introduction to Clinical Medicine” courses. After completing the medical sciences, students are required to take the USMLE Step 1. Upon successfully passing the examination, students proceed to clinical medical sciences for their clinical rotations.

During semesters 6-9.5, students undertake clerkships focused on clinical medical sciences for 72 weeks. Clerkships consist of core rotations in internal medicine, surgery, pediatrics, obstetrics/gynecology, and psychiatry, and elective rotations at clinical site hospitals. Rotations in family medicine, emergency medicine and neurology are strongly encouraged.

After completing the core clerkships (including core exams), students are eligible to take the USMLE Step 2 CK/CS and must pass these examinations to graduate. Passing Step 2 CK/CS is also a condition for ECFMG certification which is the process that international medical graduates must follow to participate in the National Resident Matching Program (NRMP) for postgraduate training. NRMP is the same residency matching program participated in by medical students from LCME-accredited medical schools.

The curriculum is consistent with the mission of the medical school. There are clearly-defined specific objectives for each course. Faculty who teach at all instructional sites have sufficient knowledge of the subject matter to provide effective instruction and have a clear understanding of the objectives and assessment methods as included in the course syllabi. In clinical rotations students are required to maintain logs of patient encounters. Formative and summative assessment of student achievement is provided.

The program has a single standard for the advancement and graduation of medical students across all instructional sites. As noted in the response to Standard 8, graduates of the medical education program are very competitive in attaining residency positions.

Standard 15: General Education. Not Applicable.

Standard 16: Credit for Work Completed Outside a Collegiate Setting. Not Applicable.

Standard 17: Learning Resources. AUC has a collection of 5,854 books, 69 print journals (10 years), 22 electronic journals, and 187 DVDs. The library has 3, 813 square feet of space. Majority of this space is for student use (3,130 sq ft) with the remainder used as library staff work space (208 sq ft). The library space includes a quiet room and a computer lab in addition to the stacks.

AUC employs a full-time library director. The director has an MS in Library Science and is a non-teaching faculty member.

During the site visit the students indicated that they were satisfied with the library holdings and the library space. The students have access to the study space in the library 24 hours a day.

Library resources for the students during the third and fourth years of the curriculum are provided through the affiliated teaching hospitals.

Standard 18: Facilities. The college currently operates in a 200,000 sq. ft. complex. The complex includes an academic building, student dormitory, faculty housing, fitness center, and office annex. The complex is reinforced to withstand a seismic zone 3 earthquake and a category V hurricane. It has its own water and power plant. The complex is a closed campus with 24 hour security. An ID or prior authorization is required to enter the complex.

The instructional space in the academic building includes: lecture halls (4), small group rooms (12), clinical examination rooms (5), anatomy lab, research lab, simulation lab, library, and a multipurpose room. These resources are sufficient to deliver the curriculum. Clinical sites affiliated with the medical school have the breadth and quality of resources for clinical instruction.

In addition to the instructional space, the college does have a student dormitory. The dormitory was opened in 2002 includes one and two bedroom apartments. The dormitory is well maintained and is adjacent to the academic building. There are provisions for students to obtain adequate housing at the clinical sites.

Standard 19: Academic Records. Records of each student's academic performance are securely and permanently maintained by AUC. The central repository for the storage of AUC records is Medical Education Administrative Services (MEAS) in Coral Gables, Florida.

The institution has a policy in place stating transcripts may be obtained through written request if the student is in good financial standing. The transcript fee for enrolled students is \$10, \$15 for graduates and \$30 for withdrawn students.

Standard 20: Accurate and Fair Representation in Publications, Advertising, and Promotion. The 2010 catalog and the AUC website at <http://www.aucmed.edu/> were reviewed in detail and found to be complete and accurate in providing prospective students with information related to the licensure and accreditation of the institution, the medical science campus, application process, entrance requirements, tuition and fees, refund policy, administrators, medical science and clinical science faculty, curriculum, academic progress, student services, financial aid, and graduation requirements. The refund policy is clear and equitable. The AUC Student Handbook was also reviewed and found to be accurate and complete. The diploma awarded to graduates follows a standard format and accurately reflects the institution and the degree.

AUC uses email “Webcards” extensively to communicate announcements of webinars, open houses, and information sessions in which an enrollment manager delivers a presentation and answers questions. The institution also participates in career fairs from time to time presenting a video or PowerPoint presentation. Banner advertisements appear online on selected websites.

Advertisements are occasionally included in publications such as the Princeton Review MCAT book, *AUC Connections*, and the Alumni magazine. Examples provided following the site visit were reviewed and found to be accurate.

AUC has never been cited for any false, deceptive, misleading or unfair practice of any type.

Student comments supported the findings noted above and did not reveal any discrepancies between what they had been led to expect about the institution before they enrolled and what they actually found as students.

Standard 21: Academic Advising and Counseling. There is an effective program of academic advising and counseling at AUC. Incoming students are assigned a faculty advisor prior to their arrival on campus. During the first week of class, faculty advisors have a group lunch with their advisees. They also meet individually with each advisee. Faculty advisors provide support and continuity for the students throughout their basic sciences education.

The counseling process begins during the admission interview. Potential high-risk students are provided with support before they arrive for classes. Careful attention is paid to student performance, particularly in the first year of medical college. Students who have failing performances early in the academic year receive a Mid-Term Academic Status (M-TAS) letter and are offered counseling and academic support. The performance of all students is monitored throughout the curriculum. Any students who are experiencing difficulty are directed to the appropriate support resources.

There is a system in place that offers a variety of services for students to make the transition into medical school. In addition to the academic support services described above, Resident Advisors and Orientation Advisors who are upperclassmen are assigned to help students acclimate. Wellness counseling that includes individual, group and family counseling; assessment and referral; preventive education and crisis intervention is provided free of charge. There is also an extensive alumni contact network.

Standard 22: Student Rights and Responsibilities. Students are provided with a complete and accurate student handbook that is available online. During the site visit, the students verified that the handbook was provided to them.

The handbook clearly describes academic grades, grading policies, satisfactory academic progress, academic probation, and criteria for dismissal. Students may appeal academic decisions pertaining to the first two years to the Student Evaluation and Promotions Committee. A copy of the procedures for appeal was provided during the site visit and was determined to be fair and clear. A summary of these procedures should be included in the Student Handbook or be readily accessible to students and faculty.

Policies and procedures for the appeal of decisions for the dismissal of students due to academic deficiencies in the third and fourth years are not well delineated. Such issues are addressed by the Chief Academic Officer or designee. An updated Student Handbook was provided to the survey team within one week of the visit in which this issue was appropriately addressed.

There is an independent publication “Administrative Review and Grievance Procedures for AUC Students” that addresses non-academic disciplinary issues and provides clear and fair procedures for due process and a right to appeal.

The school also provided copies of their Sexual Harassment policy and Dormitory Regulations. Both documents are readily understood and address the specific issues appropriately.

Standard 23: Health and Safety. Government regulations in St. Maarten require basic science students to have health insurance coverage to be eligible for a student visa. In addition, students in clinical clerkships are required to have health insurance coverage. As a result, AUC has negotiated a policy for health insurance that provides global coverage and ensures that students are covered in the event of an illness or injury, including medical evacuation benefits to the US if medically necessary.

Appropriate immunizations and policies and procedures that address student exposure to infectious and environmental hazards are required for participation in clerkships at all affiliated hospitals. Infection control training is provided online through Continuing Education Online. Students are provided an institutional discount code on registration.

The school maintains a 24/7 on-call schedule for Student Services personnel to respond to calls for emergency assistance by students. Students are provided with a dedicated cell phone number to reach the designated emergency responder during orientation.

A Disaster/Emergency Response Plan is in effect that is renewed at the beginning of each hurricane season. The school maintains contact details for all students on St. Maarten and arranges for communication to be maintained by means of its website and MEAS in Florida in the event of a disaster. Students and faculty are able to shelter in AUC’s academic building and dormitory.

Standard 24: Learning Outcomes. AUC does not deviate from standards 11, 12, 16 or 17. In addition, the college tracks and makes changes based on objective internal and external outcome measures.

**Site Visit Evaluation Report
Addendum November 2, 2011**

**American University of the Caribbean
School of Medicine
St. Maarten, Netherlands Antilles**

June 27-28, 2011

The following is an addendum to the full report that was submitted to the Advisory Committee of the Texas Higher Education Coordinating Board on July 28, 2011. The assessments in this addendum are based on information submitted by Daniel Hamburger, President and CEO of DeVry Inc. on October 25, 2011 subsequent to the acquisition of the American University of the Caribbean School of Medicine (AUC) by DeVry Inc. on August 3, 2011.

This addendum will only address those standards in which conditions have changed as a result of the acquisition.

Standard 2: Qualifications of Institutional Officers. Andrew Jeon, MD, MBA, president of DeVry Medical International will be the ultimate executive officer of AUC. Dr. Jeon most recently served as the CEO and president of Partners Harvard Medical International, Inc. He has over 20 years of administrative and leadership experience in academic medical centers and a strong background in academics.

The academic administration of the medical school remains unchanged.

Standard 4: Distinction of Roles. AUC's administrative organization is now based in the DeVry Medical International, Inc. offices in North Brunswick, NJ and Coral Gables, FL. The offices that are located in the US will continue to facilitate communication between prospective students and clinical students rotating in affiliated hospitals for their clerkships. There are separate organizational charts for the academic organization and the administrative services.

Standard 5: Financial Resources and Stability. AUC School of Medicine is a wholly owned subsidiary of DeVry Inc., which has been profitable for each of the last 10 years. DeVry Inc. has adequate revenue streams and financial resources to maintain its educational responsibilities. At the end of FY 2011, DeVry Inc. had total unrestricted cash balances of \$447 million and no debt. Past financial performance indicates that the entity is fiscally sound and able to provide the educational program as described for the number of students enrolled.

Standard 6: Financial Records. The finances of the AUC School of Medicine are administered through the parent entity, DeVry Inc., whose financial records are maintained and audited according to the General Accepted Accounting Principles (GAAP). PricewaterhouseCoopers LLP serves as DeVry's independent public accounting firm. DeVry has received an unqualified opinion in each year of operation.

The guidelines of the National Association of College and University Business Officers as set forth in "Financial Accounting and Reporting Manual for Higher Education (FARM)" are not used in preparation of financial documents. However, GAAP provide appropriate reassurances that the information provided in the financial statements are an accurate reflection of the state of the institution.

The changes described above do not alter the academic environment or operation of the school of medicine.