

REPORT OF THE WASC VISITING TEAM

SPECIAL VISIT FOR INITIAL ACCREDITATION

To Presidio Graduate School

May 1, 2014

Team Roster

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The team evaluated the institution under the 2008 WASC Senior College and University Standards of Accreditation and prepared this report containing its collective evaluation for consideration and action by the institution and by the WASC Senior College and University Commission.

The formal action concerning the institution's status is taken by the Commission and is described in a letter from the Commission to the institution. This report and the Commission letter are made available to the public by publication on the WASC website.

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SPECIAL VISIT TEAM REPORT

SECTION I – OVERVIEW AND CONTEXT

A. Description of Institution and Visit

The Presidio Graduate School (“Presidio”) is the successor institution (1993) to Presidio World College, which in turn grew out of World College West, an accredited work-study, world-study liberal arts college that had been founded in 1973. During its first five years (1993-1998), Presidio offered non-degree courses and seminars for a program known as “Later-Life Design” focused on areas perceived to contribute toward a sustainable second half of human life, touching on aspects such as purposeful work, physical well-being, economic security, etc. This period ended when the Board of Directors chose to focus on sustainability-oriented degree programs. Approved for this reorganization by the California Council for Private Postsecondary and Vocational education in 1998, Presidio contracted with Vermont’s Goddard College the following year to pilot a BA-completion program in the area of sustainable, ethical enterprise design. This in turn, supported by internal marketing research, transitioned into an organization focused on graduate education for people in their 30’s and beyond seeking an MBA in sustainability conceptualized as for “people, planet and profit.”

In 2002, Presidio signed an affiliation agreement with Alliant International University (“Alliant”) to conduct its MBA program with a concentration in Sustainable Management, in doing so falling under Alliant’s WASC accreditation umbrella. At the time of the agreement, neither Alliant nor WASC envisioned that this would be a long term arrangement. The name change was completed in 2009 when the then-Presidio School of Management became the Presidio Graduate School. A Master’s in Public Administration with a sustainability focus was

added shortly thereafter. A non-degree sustainability education program was established in 2008. The WASC Commission and President urged Presidio to seek its own independent accreditation. In 2009, the Board authorized an application for accreditation by the Accrediting Council for Independent Colleges and Schools, which was approved by ACICS in 2010 to run through 2012, but on reconsideration the Board in September 2010 withdrew its application with ACICS and applied to WASC as an independent entity.

Presidio was granted Eligibility in December 2011 under Pathway B and underwent a Pathway B accreditation visit in November 2012. The visiting team concluded that despite having established operational independence to a significant degree, Presidio was not able to demonstrate financial sustainability due to declining enrollments, nor was it able to demonstrate the potential for operational independence, having not established a formal separation agreement with Alliant. The Commission deferred Presidio's request for Initial Accreditation under Pathway B in February 2013 until the June 2013 meeting, requesting that Presidio submit in advance a detailed strategic plan focusing on financial sustainability and the separation from Alliant, including a delineation of how essential business and student services covered by Alliant would be taken over by Presidio. In addition to submitting the requested Strategic Transition Plan, Presidio reached an agreement with Alliant, through both a Third and a Fourth Amendment to the affiliation contract, related to financial arrangements for a separation, notifications regarding petitions for Title IV eligibility, and scenario planning for several possible outcomes of Presidio's pending application to WASC for independent accreditation.

At the June 2013 meeting, the Commission voted to grant Candidacy for four years, through spring 2017, and to schedule a Special Visit for November 2013 to focus on the following:

- A. Issues surrounding the implementation of the contract with Alliant, including all amendments
- B. An update and analysis of 2013-14 enrollments
- C. An update on the status of the budget for 2013-14 and refinements of the budget through 2016-17
- D. Updated information on the impact on students of the transition from Alliant International University to Presidio Graduate School
- E. A status report on Presidio's efforts to gain federal financial aid approval through its own OPEID numbers
- F. An update on the application for approval by the California Bureau of Postsecondary Private Education

The Special Visit scheduled for November 2013 was deferred by WASC staff until April 2014, giving Presidio additional time to address ongoing enrollment and financial issues.

No off-campus sites or distance education programs were part of this visit, and no special follow-up visits related to substantive change were conducted in connection with this visit. A compliance audit was conducted as part of this Special Visit.

B. Quality of the Special Visit Report and Supporting Evidence

The team found the Self Study document to be well-written, well-organized, and on the whole highly supported by data, and directly responsive to the issues identified in the July 2013 Commission action letter. Significant data were provided in appendices. The self-study process and document were accomplished by Presidio's five-person management team, with leadership by the CFO/ALO and president/CEO. In general, the institution's self-analysis aligned with the evidence provided, with the exception that some more current financial and enrollment

information was required by the team than was provided in the study or exhibits, as well as additional information on the transition of essential services and functions from Alliant. Presidio staff were open and supportive in providing such information when requested.

C. Description of the Team Review Process

In the team conference call and the subsequent site visit, the team focused its attention on the issues raised in the July 2013 Commission action letter, with a special emphasis on the institution's financial sustainability and separation from Alliant. All team members were able to meet the schedule of conducting the review. The team had been structured by staff to align well with the institutional tasks for which they would be responsible, and no substantive difficulties were encountered as a result. The WASC evaluation team concluded that at the planning and operational levels, the visit was conducted with thoroughness and with the full and complete cooperation of the institution. The ALO was especially helpful in seeing that the visit was conducted in a manner such that the team could maximize its own capabilities.

SECTION II – TEAM ANALYSIS OF THE ISSUES

Since the last review, in November 2012, Presidio has worked continuously with Alliant to prepare for its separation. This has involved developing necessary elements of student services, library and classroom effectiveness, and the creation of an in-house student information system. This effort has been accompanied by a major restructuring of the organization that has involved reductions in staff and faculty, organizational routines, and the addition of new marketing and other outreach functionality in an effort to increase enrollment. The board has been approached to increase its financial support of the institution and has done so. All of these changes are positive. In addition, as part of the planned separation from Alliant, Presidio has

applied for Student Exchange and Visitor certification from the federal government. If granted, pending a positive accreditation outcome, Presidio would be able to provide international student services now supported by Alliant.

The one major change that has had a negative impact on Presidio is what can be called a destabilization of Alliant, which is experiencing significant fiscal and staffing challenges and is planning a conversion to a for-profit corporate model with an investment partner, University Ventures, to take place as early as July 2014. Alliant's situation has had a substantial negative impact on Presidio's daily operations (e.g., delayed reimbursements, resulting in cash flow issues) and strategic planning (e.g., a change in Alliant's status would so adversely affect Presidio's institutional mission and character that continued affiliation would be difficult). The affiliation with and separation from Alliant are the topic of two of the six issues identified by the Commission in the July 2013 action letter. To the team's knowledge, no other changes have occurred that impact the institution's functioning under the WASC Standards.

A. Issues surrounding the implementation of the contract with Alliant, including all amendments

In 2002, Presidio signed an affiliation agreement with Alliant, and in doing so was able to offer accredited degrees. Since 2002, Presidio and Alliant have agreed to four amendments of the affiliation contract, the most recent three of which focus on creating conditions by which Presidio may seek independent accreditation. The Fourth Amendment is particularly noteworthy, because it modifies the affiliation fee that Presidio pays to Alliant (spreading the FY 2013-14 fee across two fiscal years, with two-thirds due this year and one-third next year) thereby providing some financial relief to Presidio, and provides a roadmap forward in the event

of a number of accreditation scenarios (including the road now traveled: the Commission's granting of Candidacy).

The affiliation contract as amended provides for an orderly transition to independence for Presidio, should Initial Accreditation be granted. In the meantime, the issues arising from the affiliation contract are being managed to the greatest extent possible. These include the financial burden associated with the affiliation fee, the operational burdens associated with Presidio's duplicating services and functions and often serving as an interface for students with Alliance, and the administrative burdens of planning for and implementing as many components as possible of the transition plan to independence.

The critical element for Presidio in regard to this relationship is that *if* accreditation is granted by the Commission at its June meeting, Presidio will engage in its exit from Alliant engagements as of that date, based upon an agreed upon set of separation calculations. Should accreditation not be granted, Presidio will either need to continue its relationship with Alliant or seek affiliation with another accredited body. From Presidio's perspective, all options other than obtaining accreditation from WASC are unattractive, and the institution has striven to the full extent of its capability to meet the thrust of the reservations contained in the last Action letter as the pathway toward WASC accreditation.

B. An update and analysis of 2013-14 enrollments

Since last year a dedicated marketing director has with a designated faculty coordinator focused on creating a marketing program that targets possible enrollment sites within the Bay area but throughout other promising US sites as well. In addition a link has been opened to China with one registered student currently in residence, and who also is tasked with opening communication lines to China for other prospective enrollments. Discussions have taken place at

the presidential level with Amity University with the possibility of it functioning as another enrollment source. An agreement with Hastings College of the Law of the University of California has netted one current student with the prospect of more. Conversations are currently taking place with Naropa University of Boulder, CO, which could function as another recruitment source. In short, systematic and disciplined outreach, including recent ventures into the use of social media, are all focused on allowing Presidio to recover from its recent enrollment decline and return to a level appropriate for sustaining currently and projected budgetary targets.

Presidio's current enrollment in FY2013-14 is approximately 132 students (1379 units), a number below desired. However, they have contracted with a marketing research firm, public relations and social media firm and a consultant that specializes on enrollment and admissions issues. Presidio projects enrollment increases through their five year budget with enrollment estimated at 349 students and net cash surplus of \$1,889,548 by FY2017-18. If this were to happen they estimate their cash on hand would exceed \$3.5 million dollars. Preliminary data indicates that their efforts are paying-off. Initial applications are up 55% (87 applications), accepted applications are up 40% (21 applications) and application deposits are up 225% (13 deposits). Presidio is optimistic that they will meet their 48 new student target for FY2014-15; in FY 2013-14, Presidio saw 47 new students.

C. An update on the status of the budget for 2013-14 and refinements of the budget through 2016-17

Presidio's financial resources are generated from tuition revenue, fees and development activities in support of its mission and operations. In an effort to create a sustainable financial business model for the future, they have made a number of strategic decisions. As was discussed on the team's prior visit, they have negotiated a separation agreement with Alliant releasing them

from a 15% affiliation fee. The concluding fees to be paid to Alliant are structured such that two-thirds of the fee will be paid in FY2013-14 and the remaining third to be paid in FY2014-15. The net result of this action is a projected deficit of \$272,000 in FY2013-14 and an estimated surplus of approximately \$20,000 in FY2014-15.

To reach a point of stability (budget relative to projected enrollment), Presidio has made other strategic moves over the past 18 months resulting in reduced operating expenses of approximately \$1.2 million dollars. These include the reduction of three administrators, negotiated reduction of facility costs, better optimization of classroom sizes, a change in enterprise software systems, and adjustments to faculty and TA salaries and amenities.

Development activities have also increased and show promise in subsidizing tuition and fee revenue. The total donations received for FY2013-14 currently stand at \$780,630 exceeding their budget target of \$500,000. The Presidio leadership team indicated that the greatest majority of these dollars are considered discretionary and available as needed for their best use. They further indicated that approximately \$60,000 of the \$780,630 is specifically designated for student scholarships. Presidio is also holding a number of multi-year donor pledges in the amounts of \$286,900 and \$166,200 for FY2014-15 and FY2015-16. Finally, the Presidio Board, beyond its regular financial support, has formally established an internal loan program to fund short-term contingencies. The fund currently holds \$400,000. The Board indicated full support if these funds needed to be accessed.

D. Updated information on the impact on students of the transition from Alliant International University to Presidio Graduate School

Historically, Presidio has relied on Alliant to provide many essential services and functions, including student registration and record-keeping, institutional research (including

course evaluations), information technology, library and information resources, financial aid processing, student accounting services, international student services, faculty hiring and payroll, program review, and so on (CFRs 2.3, 2.10, 2.12, 2.13, 3.3, 4.4, 4.5). Presidio's Strategic Transition Plan maps out a pathway for transitioning these services and functions from Alliant to Presidio (CFRs 3.5, 4.1, 4.2). During the visit, the team requested and received additional specific information regarding the transition of services and functions.

The team found that, to a significant degree, Presidio has either developed the necessary functionality (as in the case of Presidio's student information system, which duplicates Alliant's Campus Management System) or put in place realistic plans to do so (as in the case of Presidio's researched plan to offer student health insurance with Intercare Insurance Solutions upon separation from Alliant). Regarding those services that Presidio is not currently approved to take over, such as financial aid processing, Presidio already serves as a frequent interface between students and Alliant, troubleshooting issues and working to ensure a smooth customer service-oriented experience. A trustee who is also a current student attested to the staff's effective work in minimizing the impact on students of the transitioning relationship between Presidio and Alliant.

In short, Presidio has taken significant steps toward operational independence from Alliant and demonstrates the strong potential to successfully develop the necessary institutional capacity. In addition to the two areas cited by Presidio as requiring special attention during a transition—financial aid and student business services—the team calls attention to the importance of providing adequate and appropriate library and information services and resources (CFRs 2.3, 2.13, 3.6), as well as expanded institutional research functionality (CFRs 2.10, 4.5).

E. A status report on Presidio’s efforts to gain federal financial aid approval through its own OPEID numbers

All necessary submissions have been made, and approval is expected to be granted pending initial WASC accreditation and the institution’s successful follow-through on items that accreditation will generate (e.g., students who have completed the FAFSA will need to be contacted and told to change the school code on their forms).

F. An update on the application for approval by the California Bureau of Postsecondary Private Education

All necessary submissions have been made, and approval is expected to be granted pending initial WASC accreditation and the institution’s successful follow-through on items that accreditation will generate (e.g., the Student Handbook and the enrollment agreement will both have to be updated).

SECTION III – FINDINGS AND RECOMMENDATIONS

Commendations:

1. The Presidio Graduate School has undertaken a truly impressive set of activities to effect its reorganization and streamlining of functions. The administrative team has given evidence of significant commitment to the tasks at hand and warrant recognition for the extent and nature of the activities undertaken in response to their previous commission engagements.
2. The President is to be given recognition for the nature and effect of his leadership over this period of acute transition.

3. Presidio has developed a set of marketing tools and efforts that auger well for its continued recruitment efforts. In particular the institution appears to have refined its target audience and developed useful tools that allow it to speak well to that audience and is strongly supportive of the current management team.
4. The Board has provided evidence of significant engagement and support both in shaping and supporting the path on which the institution is now engaged.
5. The interface between faculty and alumni shows evidence of working well and being well served by the individuals involved.
6. The development of in-house student services/business services appears to have been well thought through and developed. Presidio has created an effective set of student interface services that appears to serve them very well. All of these activities put the institution in a much better position to decouple from Alliant.

Recommendations:

1. In anticipation of the separation from Alliant, the institution needs to move with dispatch into an effective long-term library and information resources arrangement that is targeted to meet the particular needs of its students (CFR 3.6, 3.7)
2. The institution needs to develop an effective and explicit transition plan for the provision of administrative services in the advent of the separation from Alliant that holds students harmless from the transition. (CFR 1.7)
3. In regard to various tentative engagements that the institution is having with other organizations that could involve new organizational arrangements of association, the team strongly recommends that the institution move with caution and ensure that the full range of entailments associated with its current reorganization and proposed separation with Alliant be

fully and satisfactorily completed before entering another set of engagements. Such prudence in our view is required to ensuring that the “house is in order” before entering a relationship with other institutions that might dilute Presidio’s brand and quality. (CFR 1.8)

4. The institution needs to ensure continued sustainable growth in financial capacity and suitability commensurate with the existing and growing mission of the organization. (CFR 1.8)

5. Management and institution leadership needs to continue its current course of its self-conscious engagement with the Presidio board concerning the strategic direction of the institution, the resource requirements for it, and specific targets to gain those outcomes. (CFR 1.3)

6. The institution needs to continue to generate effective development based on a coherent and consistent strategic plan and goals. (CFR 4.1, 4.2, 4.3)

7. There is a need for the Board to develop a realistic and effective leadership succession plan as an act of prudent institutional responsibility. (CFR 1.3)

APPENDICES

A. Credit Hour and Program Length Review Checklist

Material Reviewed	Questions/Comments (Please enter findings and recommendations in the Comments sections as appropriate.)
Policy on credit hour	Is this policy easily accessible? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
	Where is the policy located? → Faculty Handbook and Student Catalog – page 29.
	Comments: All students receive a digital copy of the handbook upon enrollment. The handbook is also accessible on our website.
Process(es)/ periodic review of credit hour	Does the institution have a procedure for periodic review of credit hour assignments to ensure that they are accurate and reliable (for example, through program review, new course approval process, periodic audits)? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
	Does the institution adhere to this procedure? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
	Comments: Syllabi Review occurs every semester. Core faculty verifies the workload against the credit hours.
Schedule of on-ground courses showing when they meet	Does this schedule show that on-ground courses meet for the prescribed number of hours? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
	Comments: Schedules are released 3 months in advance of the semester. Dates of each class and times are listed.
Sample syllabi or equivalent for online and hybrid courses <i>Please review at least 1 - 2 from each degree level.</i>	How many syllabi were reviewed? 2; SUS6195 (3 credits) and SUS7025 (4 credits)
	What kind of courses (online or hybrid or both)? Hybrid
	What degree level(s)? Graduate Level
	What discipline(s)? Sustainable Management (MBA, MPA)
	Does this material show that students are doing the equivalent amount of work to the prescribed hours to warrant the credit awarded? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
	Comments: SUS6195: Foundational 1 st semester course. SUS7025: 4 th semester course.
Sample syllabi or equivalent for other kinds of courses that do not meet for the prescribed hours (e.g., internships, labs, clinical, independent study, accelerated) <i>Please review at least 1 - 2 from each degree level.</i>	How many syllabi were reviewed? 2: SUS8700 (1unit) and SUS8600 (3 units)
	What kinds of courses? Degree and non-degree: Curricular Practical Training + Research course
	What degree level(s)? Graduate level
	What discipline(s)? Sustainable Management (MPA, MBA)
	Does this material show that students are doing the equivalent amount of work to the prescribed hours to warrant the credit awarded? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
	Comments: Both syllabi are customizable. Included are two samples of completed syllabi. Students and faculty work together to complete based on project.
Sample program information (catalog, website, or other program materials)	How many programs were reviewed? 4
	What kinds of programs were reviewed? Degree and non-degree
	What degree level(s)? Graduate level
	What discipline(s)? Sustainable management (MPA, MBA)
	Does this material show that the programs offered at the institution are of a generally acceptable length? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
	Comments:

Review Completed By: Kerry Walk
Date: 5-11-14

B. Marketing and Recruitment Review Checklist

Material Reviewed	Questions and Comments: Please enter findings and recommendations in the comment section of this table as appropriate.	Verified Yes/No
**Federal regulations	Does the institution follow federal regulations on recruiting students? Yes → Yes, Student handbook pages 30-34 Comments:	Yes
Degree completion and cost	Does the institution provide accurate information about the typical length of time to degree? → Yes, Student handbook pages 6,16-22; website	Yes
	Does the institution provide accurate information about the overall cost of the degree? → Yes, On website under the Admissions section.	Yes
	Comments:	
Careers and employment	Does the institution provide accurate information about the kinds of jobs for which its graduates are qualified, as applicable? → Yes, on the website under Academics and each of the programs, as well as under Alumni under Alumni outcomes. See link. http://www.presidioedu.org/students/career-development/alumni-outcomes	Yes
	Does the institution provide accurate information about the employment of its graduates, as applicable? → This is not applicable at this time as the students are under Alliant International University.	No
	Comments: → The institution will come into compliance if initial accreditation is granted and it's able to make its own policies in this area, rather than being covered under Alliant's policies.	

Review Completed By: Kerry Walk
Date: 5-11-14

C. Student Complaints Review Checklist

Material Reviewed	Questions/Comments (Please enter findings and recommendations in the comment section of this column as appropriate.)	Verified Yes/No
Policy on student complaints	Does the institution have a policy or formal procedure for student complaints? → Yes	Yes
	Is the policy or procedure easily accessible? Where? → Yes, Student Handbook page 66-72	Yes
	Comments:	None
Process(es)/ procedure	Does the institution have a procedure for addressing student complaints? Please describe briefly: → Yes, Student Handbook page 66-72	Yes
	Does the institution adhere to this procedure? → Yes	Yes
	Comments:	
Records	Does the institution maintain records of student complaints? Where? → Yes, Academic Affairs	Yes
	Does the institution have an effective way of tracking and monitoring student complaints over time? Please describe briefly: → Yes, Through mid-semester surveys in all classes as well as end of semester surveys and annual survey of all graduates. It also tracks complaints via emails and walk-ins.	Yes
	Comments:	

Review Completed By: Kerry Walk

Date: 5-11-14

D. Transfer Credit Review Checklist

Material Reviewed	Questions/Comments (Please enter findings and recommendations in the comment section of this column as appropriate.)	Verified Yes/No
Transfer Credit Policy(s)	Does the institution have a policy or formal procedure for receiving transfer credit? → Yes	Yes
	Is the policy publically available? If so, where? → Yes, Student handbook pages 73-74	Yes
	Does the policy(s) include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education? → Yes	Yes

Review Completed By: Kerry Walk
Date: 5-11-14