

July 20, 2018

Dr. Jeffrey Kuan
President
Claremont School of Theology
1325 North College Avenue
Claremont, CA 91711-3199

Dear President Kuan:

This letter serves as formal notification and official record of action taken concerning Claremont School of Theology (CST) by the WASC Senior College and University Commission (WSCUC) at its meeting June 27-29, 2018. This action was taken after consideration of the report of the review team that conducted the Special Visit (SV) to CST April 17-18, 2018. The Commission also reviewed the institutional report and exhibits submitted by CST prior to the SV and the institution's May 14, 2018 response to the team report. The Commission appreciated the opportunity to discuss the visit with you, and your colleagues: Duane Bidwell, Professor and Accreditation Liaison Officer; Sharlyn Hamilton, Vice President for Advancement and Communication; Sheryl Kujama-Holbrook, Vice President for Academic Affairs; and Gamward Quan, Vice President for Business Affairs. Your comments were very helpful in informing the Commission's deliberations. The date of this action constitutes the effective date of the institution's new status with WSCUC.

In February 2015 the Commission issued a Warning to CST based on non-compliance with Standard 3, with particular focus on CFR 3.4, regarding financial sustainability, and Standard 4, related to concern about planning requirements in CFR 4.6. A Warning can be given up to two years from the date of the action. In June 2016 the Commission extended the Warning, focused on Standard 3, for a second year. A two-year extension of a warning beyond the initial two year period is allowed for "good cause." In February 2017 the Commission determined that "good cause" existed for such an extension and called for a Special Visit in spring 2019, one year into the extension. The following actions are a result of this SV.

Actions

1. Receive the Special Visit team report that focused on financial sustainability as defined in CFR 3.4 of Standard 3
2. Continue the Warning through the end of the two-year extension for good cause to February 2019
3. Schedule a Special Visit in late fall 2018 focused on CFR 3.4 of Standard 3

Commendations

The Commission commends CST in particular for the following:

1. The collegial spirit, high morale, and institutional commitment the CST community has been able to maintain in the face of an uncertain future.
2. The diligent and aggressive efforts being made to successfully resolve the legal challenges preventing the sale of campus property.
3. The pursuit of creative solutions to assure its survival through creative partnerships with compatible institutions of higher education.
4. The development and use of budget and cash flow models that can project financial scenarios.
5. The procurement of gifts and pledges to provide adequate operating capital through June 30, 2019.
6. Continuing strength in the enrollment department and consistent increases despite the challenges of the larger environment.

Recommendations

The Commission requires the institution to respond to the following issues:

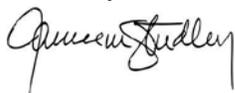
1. CST needs to continue pursuing the current legal proceedings so that the campus property can be sold or leased at a price that assures the institution's sustainability. Since most of CST's future scenarios are contingent upon the successful sale or lease of its campus property and since the timing and proceeds of the sale or lease are not known, CST must develop additional financial and programmatic scenarios and related implementation strategies to assure that it can remain operationally viable beyond June 30, 2019 (CFRs 3.4, 4.7).
2. Given the importance of enrollment to CST's financial condition, it is critical that continued support be provided to the enrollment team. (CFR 3.4).
3. The board of trustees, which has increased its giving and its involvement in securing financial support since the last visit, will need to recognize that – even if CST prevails in the legal proceedings and is successful embedding with Willamette University or some other institution – it will need significant financial support during the interim and perhaps on an ongoing basis, depending how governance issues might be worked out between CST and Willamette or some other institution. (CFRs 3,4, 4.9)
4. The board of trustees should consider the development and implementation of an appropriate succession plan and/or incentive program to assure that CST retains

qualified administrators and faculty during these critical times of institutional transition. (CFRs 3.1, 3.8)

In accordance with Commission policy, a copy of this letter will be sent to the chair of CST's governing board in one week. The Commission expects that the team report and this action letter will be posted in a readily accessible location on the CST website and widely distributed throughout the institution to promote further engagement and improvement and to support the institution's response to the specific issues identified in these documents. The team report and the Commission's action letter will also be posted on the WSCUC website. If the institution wishes to respond to the Commission action on its own website, WSCUC will post a link to that response on the WSCUC website.

Finally, the Commission wishes to express its appreciation for the extensive work that CST undertook in preparing for and supporting this accreditation review. WSCUC is committed to an accreditation process that adds value to institutions while contributing to public accountability, and we thank you for your continued support of this process. Please contact me if you have any questions about this letter or the action of the Commission.

Sincerely,



Jamienne S. Studley
President

JSS/do

Cc: Reed Dasenbrock, Commission Chair
Duane Bidwell, ALO
Patricia Farris, Board Chair
Members of the Special Visit team
Richard Osborn, Vice President