

July 18, 2018

Dr. Cynthia Baum
Chancellor
Argosy University
601 South Lewis Street
Orange, CA 92868

Dear Chancellor Baum:

This letter serves as formal notification and official record of action taken concerning Argosy University (ArgU) by the WASC Senior College and University Commission (WSCUC) at its meeting June 27-29, 2018 to defer a decision on reaffirmation. This action was taken after consideration of the reports of the review team that conducted both the Accreditation Visit and the Structural Change Post Implementation Review Visit to Argosy University March 7-9, 2018. The Commission also reviewed the institutional report and exhibits submitted by Argosy University prior to the Offsite Review (OSR), the supplemental materials requested by the team after the OSR, the Structural Change Commission Action Letter dated July 7, 2017, additional supplemental materials requested by the team concerning the structural change, and the institution's responses to both the Accreditation Visit and Structural Change Post Implementation Visit team reports, each dated June 5, 2018. The Commission appreciated the opportunity to discuss the visit with you and your colleagues: Leanne Wruck, ALO and CAO, Joseph Harbaugh, Chair of the Board of Trustees, Randall Barton, Co-Chair, DCEH Board of Managers, and Brent Richardson, Co-Chair, DCEH Board of Managers. Your comments helped to inform the Commission's deliberations. The date of this action constitutes the effective date of the institution's new status with WSCUC.

Actions

1. Receive the Accreditation Visit and Structural Change Post Implementation Visit team reports
2. Defer a decision on reaffirmation in order to complete consideration of outstanding issues
3. Schedule a Special Visit in December 2018 to address:
 - a. The recommendations from the Commission's Action Letter of July 2, 2017 which have not been fully addressed:
 - i. Recommendation No. 3 "Mission and Strategic Planning" of the Structural Change Post Implementation Visit Report (SCV), page 3
 - ii. Recommendation No. 7 "Service Agreement", SCV page 4 and page 12
 - iii. Recommendation No. 8 "Executive Overhead Expense Agreement", SCV page 4

- iv. Recommendation No. 9 “Gainful Employment Risk Exposure”, SCV page 5
 - v. Recommendation No. 10 “USDE Financial Responsibility Composite Score”, SCV page 5
 - vi. Recommendation No. 11 “Argosy University Office of Advancement”, SCV page 5
 - vii. Recommendation No. 12 “Financial Forecast Models”, SCV page 6
- b. Recommendations 1-9, contained in the “Recommendations” section of this letter, pages 3-4
- c. Additional Recommendations from the Structural Change Post Implementation Visit Report, as follows:
- i. Conflict of Interest-Personnel, Structural Change Post Implementation Visit Report (SCV) page 7: A plan to effect this action. The Commission finds that the institution’s argument in favor of this relationship does not rebut what the Commission considers not to be a good business practice.
 - ii. Conflict of Interest-Financing, SCV page 8: A plan for divestment. The Commission finds that the institution’s argument in favor of this arrangement is fitting in a for-profit environment, but not as part of a non-profit institution.
 - iii. Conflict of Interest-Professional Roles, SCV page 8: The plan for when Mr. Barton will resign from one of the two roles
 - iv. Conflict of Interest-Financial Interests, SCV page 9: Complete the list of investments of all principals. The Commission finds its request for the investments of all principals to be appropriate.
 - v. Corporate Governance: Dream Center Argosy University of California, LLC (a California LLC) vs Dream Center Argosy University of California, LLC (an Arizona LLC), SCV page 11: Confirmation of the dissolution of the Arizona LLC
 - vi. Corporate Governance: Shared Services Allocations, SCV pages 12-13: Effect formal agreements between Argosy University and DCEH regarding the cost and quality of the services delivered by DCEH to the institution in a reasonable period of time along with precise statements about overhead allocations from DCEH (see 3.a.ii. and 3.a.iii. above)
 - vii. Status of the application to operate in Utah, SCV page 13
 - viii. Status of the application for a new Cal Grant Program Institutional Participation Agreement, SCV page 14
 - ix. Status of the Temporary Provisional Participation Agreement with the USDE, page 14
 - x. Results of the ABA’s Accreditation Committee deliberations from its June 2018 meeting, SCV page 14
 - xi. Approval of the Application to the Arizona State Board for Private Postsecondary Education, SCV page 16

- xii. Explanation of why Argosy has not applied to the Delaware Department of Education, or if it has applied, a copy of the application, SCV page 16
 - xiii. Approval from the Maryland Higher Education Commission, SCV page 16
 - xiv. Status of the Approval from the Office of the Commissioner of Higher Education Montana University System, SCV page 16
 - xv. Status of Approval from the Washington, DC Higher Education Licensure Commission, SCV page 16
 - d. The rationale and plans for the closing of multiple Argosy campuses, as announced on June 29, 2018, including reference to documents providing for the teach-out of programs.
 - e. Other issues as they may arise in the course of ongoing development and maturation of Argosy University within the DCEH system.
4. Schedule a Progress Report to be submitted by August 31, 2018 to clarify the lines of authority among Dream Center Education Holdings, LLC, Dream Center Argosy University of California, LLC, Argosy Education Group, LLC, and the Bylaws of the Board of Trustees of Argosy University. In particular, provide the documents referenced in the institution's June 5, 2018 response to the SCV, page 6. In addition, elaborate as to how there is a system of checks and balances if the Board of Managers of DCEH, rather than the Board of Trustees, has the power of "investing surplus (and) approving nominees to the Board of Trustees." Finally, provide evidence of the decision-making process for the hiring, firing, and evaluation of the performance of Argosy University's CEO. Upon submission of the Progress Report, the staff liaison will forward the Report to the Commission's Executive Committee at its next or subsequent to next meeting.

Commendations

The Commission commends Argosy University in particular for the following:

1. The visible commitment of faculty and staff to Argosy University and the students it serves.
2. The diversity of students, faculty, and staff.
3. Progress in the development of ILOs, assessment, and program review.
4. The leadership of the Dream Center Educational Holdings (DCEH) for bringing a management style that reflects both broader and more direct communication, such as the listening tours; launching key initiatives that are generating a positive impact across different constituents, colleges, and campuses: LMS, CRM, IT support, alumni scholarships; and the speed with which the Strategic Plan has been put together.

5. The comprehensive work to develop the institutional report, appendices, and additional information, as well as extensive participation across colleges and campuses during the reaffirmation process.

Recommendations

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

1. Argosy University must continue to develop clarity and precision in its arrangements with DCEH, including organizational structures, decision-making processes, shared services agreements, and sound business practices. (CFR 1.5, 1.7, 3.6, 3.7, 3.9)
2. Argosy University must expand its efforts to secure resources for continued sustainability, including enrollment growth, fund raising capacity, and the introduction of new degree programs. The institution should also improve the coordination of budget and financial planning between Argosy University and DCEH. (CFR 3.4)
3. Argosy University must continue current efforts to expand system-wide technology capacity so that the LMS can enable new types of data collection together with the future rollout of the CRM. The institution should also use the new data collection to drive analytics that can enhance program assessment as well as improve student assessment. In addition, Argosy University should increase the level of investment in information and technology resources and equipment for classrooms, laboratories, and offices across the campuses. (CFR 3.5, 4.1, 4.3)
4. The institution should provide greater support for faculty scholarship and creative activity. (CFR 2.8)
5. The institution must enhance and expand its commitment to student financial services and advising. (CFR 2.13)
6. In order to further demonstrate the institution's commitment to diversity and equity, Argosy University should make a more concerted effort to increase diversity at upper administrative leadership and the Board of Trustees, and must disaggregate and analyze student achievement data by race and ethnicity in order to identify measures that are needed to better support the success of all of its students. (CFR 1.4, 2.10)
7. Argosy University must take the necessary steps to provide the appropriate URL or website link to indicators of student achievement and retention and graduation data. (CFR 1.2)
8. The institution should consider future investments in Institutional Research that will be needed following the implementation of the new LMS and CRM systems to enhance the capacity to support assessment processes. (CFR 4.2)

9. Having transitioned from a for-profit entity to a not-for-profit entity, Argosy University should continue its efforts to understand and embrace the values and obligations of a non-profit culture, and be prepared to demonstrate its activities to achieve this end. (CFR 4.7)

In accordance with Commission policy, a copy of this letter will be sent to the chair of Argosy University'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 Argosy University 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 Argosy University 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,



Jamiene S. Studley
President

JSS/cno

Cc: Reed Dasenbrock, Commission Chair
Leanne Wruck, ALO
Joseph Harbaugh, Board Chair
Members of the Accreditation Visit and Structural Change Post Implementation
Visit team
Christopher N. Oberg, Vice President