

July 18, 2024

Dr. Christian Osmeña  
Chairman of the Board  
California College - ASU  
1111 South Broadway, Suite 100  
Los Angeles, CA 90015

Dear Dr. Osmeña:

This letter serves as formal notification and official record of action taken concerning California College - ASU (CC - ASU) by the WASC Senior College and University Commission (WSCUC) at its meeting June 28, 2024. At that meeting, the Commission acted to continue the sanction of Warning. The Commission also scheduled a Progress Report to be submitted by January 15, 2025. This action was taken after consideration of the report of the review team that conducted the Special Visit (SV) to CC - ASU March 13 - 15, 2024 using the 2013 Standards of Accreditation. The Commission also reviewed the institutional report and exhibits submitted by CC - ASU prior to the Special Visit, and the institution's May 20, 2024 response to the team report. The Commission appreciated the opportunity to discuss the visit with you and your colleagues Fred Reish, Trustee; Tamara Deuser, ASU Vice President and Chief Operating Officer (COO); and Desmond Lovell, Chief Financial Officer (CFO). Your comments were very helpful in informing the Commission's deliberations. The date of this action constitutes the effective date of the institution's status with WSCUC.

The Commission acted to continue the sanction of Warning because it found that CC – ASU has not demonstrated compliance with WSCUC Standard 3. Under WSCUC policies, when the Commission finds that an institution fails to meet one or more of the Standards of Accreditation, it is required to notify the institution of the deficiencies and establish a time period within which the deficiencies must be corrected (see the Procedural History below). CC – ASU has been on sanction since December 15, 2023. Institutions on Warning have up to two years from the date of action to correct the situation; CC – ASU has until December 15, 2025 to provide evidence of compliance with Standard 3. If the Commission determines that deficiencies remain, the Commission may take an “adverse action,” in this case the withdrawal of accreditation, or if warranted grant a good cause extension of accreditation for no more than two additional years.

### **Procedural History**

On July 12, 2021, the Commission reaffirmed CC – ASU's accreditation for six years, issued a Notice of Concern (NOC), and scheduled a Special Visit for spring 2024. On December 20, 2022, the Commission approved a Change of Control to the Arizona Board of Regents on behalf of Arizona State University (ASU). Recommendations from that

2022 Structural Change approval were added to the scope of the spring 2024 Special Visit. Based on the findings of the post-implementation visit following the Change of Control, the Executive Committee acting on behalf of the Commission removed the NOC and issued a Warning dated December 15, 2023. The compliance issues with Standard 3 that led to imposition of a Warning were also added to the focus of the spring 2024 Special Visit.

### **Actions**

1. Receive the Special Visit team report
2. Continue a Warning
3. Schedule a Special Visit in spring 2025 to address: Compliance with Standard 3, particularly CFRs 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, and 3.10
4. Schedule a Progress Report to be submitted by November 1, 2024 to address: fall 2024 student enrollment and retention, projected spring 2025 enrollment and retention, and status of the Dean's search including start date and initial phase in the role
5. Submit a Teach-Out plan by September 1, 2024.

### **Warning**

Warning reflects the Commission's finding that an institution fails to meet one or more of WSCUC Standards of Accreditation. While on Warning, any new site or degree program initiated by the institution is regarded as a substantive change (see the Substantive Change Manual for details). The accredited status of the institution continues during the Warning period. The Commission action to issue a Warning is subject to Commission Review, described below.

When the Commission finds that an institution fails to meet one or more of the Standards of Accreditation, it is required to notify the institution of the deficiencies and establish a time period within which the deficiencies must be corrected. Under the Commission's policies the timeframe may not exceed two years. If an institution has not remedied the deficiencies at the conclusion of this sanction period, the Commission is required to withdraw the institution's accreditation or extend the timeframe for good cause shown. The initial extension may not exceed two years. CC - ASU is currently in the first year of its initial Warning sanction.

An institution under sanction must address the areas cited by the Commission expeditiously, with seriousness and the full attention of the institution's leadership. It is the responsibility of the institution to demonstrate to the Commission that it has understood the issues raised in this letter, responded to them satisfactorily, and has made the necessary changes to come into compliance with Standard 3. It is the responsibility of the Commission to determine whether the institution has made the necessary corrections and has come into compliance with Standard 3.

## **Non-Compliance with Standards: Deficiencies to be Addressed**

The Commission determined that CC - ASU has not demonstrated compliance with Standard 3, specifically CFR 3.4, 3.5, 3.7, and 3.10:

3.4 The institution is financially stable and has unqualified independent financial audits and resources sufficient to ensure long-term viability. Resource planning and development include realistic budgeting, enrollment management, and diversification of revenue sources. Resource planning is integrated with all other institutional planning. Resources are aligned with educational purposes and objectives.

3.5 The institution provides access to information and technology resources sufficient in scope, quality, currency, and kind at physical sites and online, as appropriate, to support its academic offerings and the research and scholarship of its faculty, staff, and students. These information resources, services, and facilities are consistent with the institution's educational objectives and are aligned with student learning outcomes.

3.7 The institution's organizational structures and decision-making processes are clear and consistent with its purposes, support effective decision making, and place priority on sustaining institutional capacity and educational effectiveness.

3.10 The institution's faculty exercises effective academic leadership and acts consistently to ensure that both academic quality and the institution's educational purposes and character are sustained.

### **Financial Strength and Sustainability (CFR 3.4)**

CC - ASU's net tuition revenue declined over 88% and net operating results or changes in net assets before other gains have been in deficit since FY20, albeit CC – ASU has forecast a near breakeven result by the end of FY24. During FY20 – FY24, CC – ASU had more financial obligations than it had assets, such as cash or property. Cash balances had dropped since FY20 with a \$.04M cash balance forecast at the end of FY24. Major CC – ASU staff reductions started in FY23 and were expected to continue through FY24, reducing salary and wage spending by over 50%.

On May 28, 2024, WSCUC received notification from the Department of Education that the College's composite scores for fiscal years ending March 31, 2022 and 2023 were -0.4 and -0.2, respectively. A minimum score of 1.5 is necessary to meet federal financial standards.

CC – ASU is financially unstable and must show substantial progress toward institutional sustainability at the time of the scheduled Special Visit in spring 2025.

### **Enrollment Planning and Growth (CFRs 3.4, 3.7)**

CC-ASU's enrollments have declined over 75% from FY20 to FY24. CC-ASU's current enrollment and future projections remain below what was described as necessary for sustainability in the WSCUC Change of Control proposal. To partly address enrollment challenges, the College instituted a new liberal arts degree beginning in fall 2024. The College has yet to put in place the structures and processes needed to make effective decisions regarding enrollment management, including thorough enrollment analysis to establish and meet projections aligned with sustainability, capacity, and effectiveness.

CC-ASU must develop and implement structures and processes to make effective decisions regarding enrollment planning and growth, including but not limited to timely key data reporting, realistic multi-year enrollment projections, marketing, student support, and budgeting.

### **Shared Governance (CFRs 3.7, 3.10)**

Faculty's ability to exercise academic leadership has not been fully supported. Faculty and staff have not had sufficient avenues for necessary engagement with and input on major decisions to support successful implementation. Communication concerns have arisen with, among other areas, instructional planning, student support, staffing, and facilities. Faculty had marginal opportunity for consultation on the reduction of positions, including staff critical to instruction, the hiring of the interim CEO and the CFO, and the name change of the institution.

CC – ASU must develop and implement a governance structure that includes active participation by faculty and staff and respects the faculty's ability to exercise academic leadership.

### **Facilities (CFR 3.5)**

The downtown facilities, where production equipment is located, and the standing sets are a significant distance from one another. The distances between all these facilities presents a serious impediment to achieving the cinema program's core educational functions.

CC – ASU must develop concrete plans reflecting a sense of urgency to address the facilities needed for student academic success and the burden placed on students from dispersing key facilities and equipment across the greater Los Angeles area.

### **Areas for Development**

The Commission also requires the institution to respond to the following areas for development:

1. Ensure that the governing board effectively and independently exercises its oversight responsibilities for institutional strategy, sustainability, and educational

effectiveness, including timely and responsive communication and the successful selection, support, and evaluation of the CEO.

2. Increase the emphasis on student success, including timely and accurate retention and graduation measures and results to allow for benchmarking against peer institutions; deepening understanding of longer-term implications; and aligning policies and practices to support the success of all students. (CFR 1.2, 2.10, 4.1)
3. Determine the needs of CC - ASU students and use those findings to develop and administer coherent and effective student support structures, processes, and community-building activities. (CFR 2.10, 2.11, 2.12, 2.13)
4. Review the classroom, lounge, and study spaces in the two downtown LA facilities to assure that they are adequate to address the needs of CC - ASU students, faculty, and staff and promote CC – ASU institutional identity (distinct from ASU) and students’ sense of belonging and attachment to the institution. (CFR 1.1, 2.10, 3.5)
5. Continue to formalize and implement the faculty governance structure and ensure it is accurately reflected in the Faculty Handbook. (CFR 3.7, 3.10)
6. Continue to ensure that the CAO has the adequate capacity, support, and resources to carry out ALO duties. (Accreditation Liaison Officer Policy)

### **Next Steps**

The Commission requires a meeting between the WSCUC staff and representatives of CC – ASU, including the Chief Executive Officer, representatives of the governing board, and senior faculty leadership, within 90 days from the date of this letter. The purposes of the meeting are to further clarify the reasons for the Commission’s findings and bases for decision, to review the actions taken as of the date of the meeting, and to discuss the institution’s plans for responding to this Commission action. WSCUC will contact CC – ASU’s ALO to make arrangements for this meeting.

The Commission decision to impose this Warning is subject to Commission review. A request by the institution for Commission review is limited to one or more of the four bases outlined in the *2013 Handbook of Accreditation, Revised*. If CC – ASU intends to seek review, the request, co-signed by the CEO and chair of the governing board, must be submitted to the president of the Commission within 28 days of the date of this letter together with the required fee.

Commission policy requires that in the case of a sanction, a public statement will be prepared in consultation with the institution acknowledging the institution’s status. The Commission reserves the right to make the final determination of the nature and content of the public statement. The institution must post the statement within seven days, along

with a copy of the Commission letter, in a readily accessible location on the institution's website and accompanying every reference to WSCUC accreditation.

Enclosed is a copy of a sample public statement, which CC – ASU may use as it stands. If you wish to propose revisions to the sample, your proposed changes must be forwarded by email to Vice President Maloney within 24 hours of receipt of this letter. In addition, any reference to WSCUC accreditation on the website and in public statements must be accompanied by the words “Currently on Warning.”

The Commission expects that the team report and this action letter will be posted in a readily accessible location on the CC - ASU's 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.

### **Submit a Teach-Out Plan**

As a result of federal regulations effective July 1, 2020, an institution placed on Warning by the Commission must submit to WSCUC a plan that would be implemented if the institution were to close. A teach-out plan identifies opportunities for the students of a closing institution to complete their program at other institutions offering the same or similar degree programs, certificates or curricula leading to professional licensure, regardless of students' academic progress at the time of closure. The WSCUC Teach-Out Plans and Agreements Policy and associated Guide provide information on what to include in a teach-out plan. The teach-out plan must be submitted to WSCUC by September 1, 2024.

Please contact me if you have any questions about this letter or the action of the Commission.

Sincerely,



Jamienne S. Studley  
President

JSS/mam

Cc: Tracy Poon Tambascia, Commission Chair  
David Carter, ALO  
Members of the Special Visit Team  
Maureen A Maloney, Vice President