July 7, 2014

William Shutkin, J.D.
President and CEO
Presidio Graduate School
36 Lincoln Boulevard
San Francisco, CA 94129

Dear Mr. Shutkin:

At its meeting June 18-20, 2014, the WASC Senior College and University Commission (WSCUC) considered the report of the Special Visit for Initial Accreditation team that conducted an on-site review of Presidio Graduate School (Presidio) on April 28, 2014. The Commission also reviewed the Special Visit report submitted by Presidio prior to the visit and the institution's May 21, 2014 response to the visiting team report. The Commission appreciated the opportunity to discuss the visit with you and your colleagues Santhi Perumal, CFO: Mitchell Friedman, Associate Dean of Student Affairs; Ryan Cabinte, Associate Dean, MPA & Dual Degree: Dwight Collins, Associate Dean, MPA & Dual Degree; Suzanne Farrer, Chair, Board Finance Committee; Steven Swig, Board Chair; Rebekah Helzel, Board Member; and Richard Gray, Founder. Your observations were very helpful in informing the commission’s deliberations.

This action follows a significant period of development on the part of Presidio. In 2002, Presidio partnered with Alliant International University for what was expected to be a short relationship before Presidio sought independent accreditation. In fall 2010, the Commission mandated that Presidio seek independent accreditation by 2011. Eligibility was granted in 2011 with a comprehensive visit scheduled for November 2012. Subsequent to that visit, in February 2013, the Commission deferred a decision on Candidacy or Initial Accreditation, focusing on the need for a formal separation agreement from Alliant and evidence of a plan for financial sustainability. In June 2013, the Commission granted Presidio Candidacy. In the awarding of Candidacy, the Commission found that all measures of educational effectiveness were strong, including clear outcomes, effective assessment procedures, and solid program review processes. A Special Visit for Initial Accreditation was scheduled following the granting of Candidacy in order to provide the institution sufficient time to come into substantial compliance with all accreditation standards, which is required for the Commission to grant Initial Accreditation. The Special Visit, which was initially to take place in November 2013, was deferred to April 2014 but actually took place May 1, 2014. It is on the basis of the institutional report and May 1, 2014 visit that the Commission has taken its current action.

The Commission commends Presidio for the institutional report, which was described by the team as “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.” The efforts to demonstrate substantial compliance with WSCUC's Standards to
establish independence have constituted, in the words of the team, “a truly impressive set of activities to effect its reorganization and streamlining of functions.” The work of the President and his administrative team, fully supported by the Board, has been significant in bringing the school to the point of demonstrating a viable future worthy of accreditation. The Commission also expresses appreciation for the steps already taken by Presidio to implement the team’s recommendations as reports in its institutional response to the Commission.

The Commission endorses the findings, commendations, and recommendations of the Special Visit team, as identified below.

Based on the team report and Presidio’s presentation to the Commission panel, the following observations are made about the six areas on which the Commission asked Presidio to focus:

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

   The team found that Presidio has worked diligently with Alliant to implement the contract, including amendments, which provides for an orderly transition from this partnership to Presidio’s independence. These efforts have included a major restructuring and implementation of plans to cover services formerly offered by Alliant. The change of Alliant to a for-profit public benefit model has also given urgency to the need for complete implementation as Presidio moves toward accreditation.

2. **An update and analysis of 2013-14 enrollments.**

   The Commission commends Presidio for hiring a marketing director who has overseen the development of attractive marketing materials and a focus on utilizing social media to increase enrollment. The efforts appear to be working, with applications up 55%, accepted applications up 40%, and application deposits up 225%. The goal of having 48 new students appears to be achievable as Presidio begins to rebuild its enrollment.

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

   The Commission commends Presidio for developing a viable financial plan for the future. This plan has grown out of the effective discipline shown during the current school year and projected to continue into the future. Although showing a deficit for the current year, the plain shows the promise of a surplus beginning in 2014-15. After the 2014-15 year, Presidio will no longer need to pay Alliant a service fee, which will help create balanced budgets. The efforts for the current year have involved difficult reductions of $1.2 million in operating expenses without a loss of educational quality. Special commendation is given to the Board for leading development efforts, including its own significant donations, resulting in the raising of $780,630, which is far beyond the $500,000 goal that had been set. Of equal significance are multi-year pledges into the future, which will help provide the needed additional funds for balanced operations. The Board has also provided a $400,000 fund for internal borrowing if needed. This significant Board support demonstrates the belief in the institution’s mission on the part of members who have seen the challenge and understand the need for financial support to secure a viable future. While commending these efforts, the Commission also underscores the team’s concern that they be undertaken with
prudence while the institution completes further reorganization efforts and develops its own student services as part of the process for creating a sustainable future.

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

The team found that Presidio “has either developed the necessary functionality” for student services or “put in place realistic plans to do so.” The institution is already offering many of the services on its own with a well-defined transition plan growing out of the contract with Alliant. As the team concluded, “Presidio has taken significant steps toward operational independence from Alliant and demonstrates the strong potential to successfully develop the necessary institutional capacity.” The Commission supports the team’s concern that provision for library and information resources needs to be a matter of immediate attention as Presidio moves toward full independence. These services could represent a significant cost for the future so need to be negotiated soon to support better financial budgeting.

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

The team determined that all submissions have been made and that approval is expected when Initial Accreditation is granted. Although achieving an OPEID number is not a condition of accreditation, the team’s concern revolved around the ability of Presidio to offer federal financial student aid, which is necessary for the school’s operations.

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

The team determined that all submissions to BPPE have been made and that approval is expected when Initial Accreditation is granted by the WSCUC Commission. Approval by BPPE of institutions to operate in California is a requirement for Initial Accreditation. Once Presidio receives notification that BPPE has granted approval, the term of WSCUC Initial Accreditation will become effective.

The Commission acted to:

1. Receive the Special Visit Report and grant Initial Accreditation for five years, through June 2019, contingent upon the institution’s approval by the California Bureau of Postsecondary Private Education at which time WSCUC accreditation will become effective.

2. Request an Interim Report due March 1, 2016 including: 1) an update on the transition from Alliant to Presidio with a focus on how student’s needs have been met; 2) a financial report including results from 2014 – 2016, projected budgets through 2019, and results of fundraising efforts; 3) historical enrollment information and projected enrollment; 4) an update on strategic partnerships; 5) an update on progress in meeting strategic plan goals and a revised plan for the future; and 6) a report on the provision of library services and expanded institutional research functionality.

4. Schedule the next comprehensive review with the Offsite Review in fall 2018 and the Accreditation Visit in spring 2019.

In taking this action to grant initial accreditation, the Commission confirms that Presidio Graduate School has satisfactorily addressed the Core Commitments to Institutional Capacity and Educational Effectiveness and has successfully completed the review conducted under the 2008 Handbook of Accreditation. Between this action and the time of the next review, the institution is expected to continue its progress.

Accreditation status is not granted retroactively. Institutions granted the status of accreditation must use the following statement if they wish to describe the status publicly:

Presidio Graduate School is accredited by the WASC Senior College and University Commission, 985 Atlantic Avenue, #100, Alameda, CA 94501, (510) 748-9001.

The phrase “fully accredited” is to be avoided, since no partial accreditation is possible. The accredited status of a program should not be misrepresented. The accreditation granted by WSCUC refers to the quality of the institution as a whole. Because institutional accreditation does not imply specific accreditation of any particular program at the institution, statements like “this program is accredited” or “this degree is accredited” are incorrect and misleading.

The Commission stipulates that this action encompasses the degrees offered Presidio at the time of this action: MBA in Sustainable Management, the Master’s Degree in Public Administration in Sustainable Management, and the MBA/MPA Dual Degree. In keeping with the WSCUC Policy on Degree Level Approval, Presidio is designated as having an "I" (Individual) status for each of the degree levels currently being offered. This means that all new degree programs initiated by the institution will require prior approval through WSCUC’s Substantive Change process. Degree programs that have been reviewed and included under this action may be extended to other campuses of the institution without prior Substantive Change action.

In accordance with Commission policy, a copy of this letter will be sent to the chair of Presidio’s governing board in one week. The Commission expects that the team report and this action letter will be widely disseminated throughout the institution to promote further engagement and improvement, and to support the institution’s response to the specific issues identified in them.

As Presidio works on the issues cited above, it should be mindful of the expectations that it will need to meet at the time of its next comprehensive review, which will take place under the 2013 Handbook of Accreditation and its institutional review processes. These expectations build on past practice and will include, for example, a focus on student success; quality improvement processes such as assessment and program review; planning; and financial sustainability. The 2013 Handbook also includes new foci: the meaning, quality, and integrity of degrees; student performance in core competencies at the time of graduation; and institutional planning responsive to changes in the context of higher education. The college will be well served to familiarize itself with the 2013 Handbook and to approach its challenges in ways that will address these expectations.
Finally, the Commission wishes to express its appreciation for the extensive work that the Presidio Graduate School undertook in preparing for and supporting this accreditation review. WSCUC is committed to an accreditation process that adds value to institutions while assuring public accountability, and we are grateful for your continued support of our process. Please contact me if you have any questions about this letter or the action of the Commission.

Sincerely,

[Signature]

Mary Ellen Petrisko
President

MEP/ro

Cc: Harold Hewitt, Jr., Commission Chair
Santhi Perumal, ALO
Steven Swig, Board Chair
Richard Osborn, WSCUC Staff Liaison