July 13, 2013

William Shutkin
President/CEO
Presidio Graduate School
36 Lincoln Boulevard
San Francisco, CA 94129

Dear President Shutkin:

At its meeting June 19-21, 2013, the Commission considered additional material supplied by Presidio Graduate School (Presidio) when its request for Initial Accreditation under Pathway B was deferred by the Commission in February 2013 until the June 2013 Commission meeting. The Commission appreciated the opportunity to discuss the review with you and your colleagues: Jennifer Taylor, Chief Operating Officer; Santhi Perumal, Chief Financial Officer; Ryan Cabinte, MPA Program Chair/Faculty; and Dwight Collins, MBA Program Chair. Your comments were helpful in informing the Commission’s deliberations.

With the approval of WASC, Presidio became part of Alliant International University (AIU) in 2002 and was able to offer accredited degrees. AIU provided services in payment for an annual fee while Presidio continued to operate in many independent ways, with a separate Board and President. WASC never envisioned this as a long term arrangement and began giving further mandates in fall 2010 that changes needed to be made so that Presidio would undertake the process to achieve its own independent accreditation. The details are outlined in the March 11, 2013 letter from the Commission to you.

Presidio was granted Eligibility in December 2011 under Pathway B which allows for a single visit because of its status as a division of AIU. A site visit team reviewed Presidio’s self-study in a November 2012 visit and concluded that Presidio had established its operational independence in most areas but was not able to demonstrate financial sustainability as a result of recent enrollment declines. Moreover, Presidio had not formalized a disaffiliation arrangement with Alliant.
At its February 22, 2013, the Commission acted to defer action until the June 2013 Commission meeting and requested the following:

By May 15, 2013, Presidio will need to submit to WASC staff a detailed strategic plan with a timeline which should include a demonstration of financial sustainability for five years taking into consideration the financial obligations growing out of the agreement with AIU. A detailed timeline should include provisions making sure that students will not be harmed during the transition including all academic and student services and arrangements for transferring student financial arrangements from AIU to Presidio.

The Commission letter also outlined ten areas that needed to be delineated by Presidio on how the following services would be covered that are currently provided by AIU, in part, in the future with independent accreditation: faculty contracts, financial aid, information technology, institutional research, intellectual property, international students, library services, student choice of institution for degrees, student records, and teach-out plans.

Following the February 2013 Commission meeting, Presidio and AIU reached an agreement through a Third Amendment to the original 2002 contract on financial arrangements for a separation and understandings on how financial aid will be processed. WASC also concluded that a further signed agreement would be needed before the June 2013 Commission meeting. A further agreement was signed, dated June 3, 2013 and contained in a Fourth Amendment to the initial contract, which included what would happen if the Commission voted Initial Accreditation, Candidacy, deferral, or denial.

With these actions, the Commission has concluded that Presidio has met the requirements outlined in its March 11, 2013 letter for the Commission to take action on the separation of Presidio. In so doing, the Commission identified areas which will require continuing attention and progress:

**Financial Sustainability.** Presidio has developed a 5-year budget projection from 2012-13 through 2016-17 which are dependent on meeting significant fundraising and enrollment targets. It will be essential for Presidio to demonstrate the achievement of these targets, and even to go beyond them to assure more than a year-to-year stasis but growth toward long-term sustainability as an independent institution. (CFRs 3.5, 4.2)

**Student Needs.** The “Strategic Transition Plan” presented by Presidio covers the ten areas of concern raised by the Commission in its March 2013 letter. As the plan is implemented, it will be important to ensure that current students are not harmed or disrupted in completing their programs of study through this time of transition. The Commission therefore expects Presidio and AIU to
cooperate fully with one another to support students in this transition period and as the School works toward its own accreditation. (CFR 2.13)

**Strategic Plan.** The 10-Year Strategic Plan from 2012-2021 called “Propel Presidio” presents a vision for the future including a mission and vision statement, strategic imperatives, philosophy, values, and goals with a 2-year strengthening frame, a 5-year propelling frame, and a 10-year vision frame. The Commission urged the careful monitoring of this plan and that the School prepare projected financial costs with the various specific initiatives to assure realistic budgeting prior to implementation. (CFRs 4.1, 4.2)

**BPPE Approval.** In its December 20, 2011 Eligibility Review Committee letter, WASC documented its understanding that Presidio had been approved by the California Bureau of Postsecondary Private Education (BPPE), but this assumption was incorrect. In your Eligibility Application, you had not claimed to be approved by BPPE but the material was not properly understood. Since this is a basic requirement of institutional eligibility, Presidio will need to become approved by the BPPE to operate and award its degrees and certificates before Initial Accreditation can be granted.

**Federal Student Aid Approval.** Presidio has come to an agreement with AIU under which Alliant will continue to handle federal student financial aid during this transition period until Presidio receives its own OPEID number. Presidio has already begun the process of receiving this important approval needed for students to receive financial aid from Presidio. While receipt of this number will not be a condition for Initial Accreditation, an update on the status of the application will need to be given to the next visiting team. Presidio will also need to undertake the training of its own staff members to handle this complex task.

The Commission acted to:

1. Grant Candidacy for four years, through spring 2017.

2. Schedule a Special Visit for Initial Accreditation for November 2013 which will focus on:
   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 number; and

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

In taking this action to grant Candidacy, the Commission confirms that Presidio Graduate School has met the WASC Standards at least at a minimal level and has a plan to meet the Standards at a substantial level at the time of the next visit. Institutions granted the status of Candidate for Accreditation must use the statement in the How to Become Accredited manual if they wish to describe that status publicly:

Presidio Graduate School has been recognized as a Candidate for Accreditation by the WASC Senior College and University Commission, 985 Atlantic Avenue, Suite 100, Alameda, CA 94501. Phone (510) 748-9001. This status is a preliminary affiliation with the Commission awarded for a maximum period of four years. Candidacy is an indication that the institution is progressing toward Accreditation. Candidacy is not Accreditation and does not ensure eventual Accreditation.

Federal law requires that the WASC address and phone number appear in your catalog.

Institutions granted Candidacy are required to:

1. Submit an Annual Report in the format required by the Commission.

2. Keep the Commission informed of any significant changes or developments, especially those that require prior approval according to the Commission’s Substantive Change Policy. Presidio Graduate School is approved to offer the following degree at its current location: MBA in Sustainable Management and the Master’s Degree in Public Administration in Sustainable Management. Presidio Graduate School will need to consult the Substantive Change Manual and confer with its WASC staff liaison about any proposed new degree programs.

3. Pay Annual Membership Dues calculated on the institution’s FTE and prorated from the date of this action. An Annual Dues statement will be sent under separate cover.

In accordance with Commission policy, a copy of this letter will be sent to the chair of the Presidio and Alliant International University governing boards 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. The team report and this action letter will be posted on WASC’s website. If the institution wishes to respond to the Commission action on its own website, WASC will post a link to that response.


Finally, the Commission wishes to express appreciation for the extensive work Presidio undertook in meeting the conditions outlined in the March 11, 2013 Commission letter. WASC 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.

Congratulations to you, the Board, faculty and staff of Presidio for achieving this important milestone. Please contact me if you have any questions about this letter or the action of the Commission.

Sincerely,

Ralph A. Wolff
President

RW/gc

Ce: Harold Hewitt, Commission Chair
Laura Hannemann, ALO
Gretchen Cumming and Steven Swig, Board Co-Chairs, Presidio Graduate School
Geoffrey Cox, President, Alliant International University
Julius Robinson, Board Chair, Alliant International University
Members of the Pathway B team
Richard Osborn, Vice President, WASC Staff Liaison, Presidio Graduate School
Barbara Gross Davis, Vice President, WASC Staff Liaison, Alliant International University