



November 1, 2024

Dr. Devin Byrd
President and CEO
Bastyr University
14500 Juanita Drive NE
Kenmore, WA 98028

Dear President Byrd:

This letter serves as formal notification and official record of action taken by the Executive Committee of the Northwest Commission on Colleges and Universities (NWCCU) at its meeting on November 1, 2024, concerning the Fall 2024 Financial Resources Review of Bastyr University.

Accreditation

Accept the Report, Issue sanction of *Show Cause*

Recommendations Out of Compliance

The Commission finds that the following Recommendations are areas where Bastyr University is out of compliance with the NWCCU Standards for Accreditation. According to U.S. Department of Education Regulation 34 CFR 602.20 (a)(2) and Commission Policy, the Commission requires that Bastyr University take appropriate action to ensure these Recommendations are addressed and resolved within the prescribed four-year period.

The Commission recommends that Bastyr University:

- Recommendation 1: Fall 2024 Financial Resources Review - Provide independent financial audits annually to NWCCU within 15 months of the end of each fiscal year, and demonstrate financial stability, including sufficient cash flow, to achieve and fulfill the institution's mission. (2020 Standard(s) 2.E.1; ER 20)
- Recommendation 2: Fall 2024 Financial Resources Review - Engage in effective financial planning that results in the development of a realistic and transparent institutional budget and appropriate risk management strategies to ensure short-term and long-term financial health and stability. (2020 Standard(s) ER 19; ER 21)

Show Cause

Because of the persistent and urgent issues with finances at the institution, the Commission has imposed the sanction of Show Cause, as stated in [NWCCU's Accreditation Actions Policy](#):

NWCCU may require an Accredited or Candidate institution to Show Cause and note its accreditation is in jeopardy when it does not appear to be in compliance with Standards for Accreditation, Eligibility Requirements, Policies, or applicable federal regulations, and there is evidence the non-compliance is sufficiently egregious such that it raises concerns the institution: has not made sufficient progress toward

achieving compliance; does not appear to demonstrate capacity to comply with Standards for Accreditation, Eligibility Requirements, Policies, or applicable federal regulations under the timeframe set by the Commission pursuant to 34 CFR §602.20(a)(2); is in imminent danger of closing; has demonstrated a lack of integrity, truthfulness, or responsibility, and the Commission determines students may be harmed; or information from monitoring activities suggests serious concerns related to student achievement, viability and capacity, or financial health.

A Show Cause action requires the institution to present evidence why its accreditation should not be withdrawn. A Show Cause action will identify Standards for Accreditation, Eligibility Requirements, Policies, or federal regulations that must be addressed in a show cause report, the due date, and require a show cause visit. For accreditation to be reaffirmed, the institution’s Show Cause report must provide evidence that it made all necessary improvements and meets the Standards for Accreditation, Policies, and applicable federal regulations. An on-site show cause visit will follow the submission of the show cause report to verify the information submitted. The Board of Commissioners may move an institution from a Sanction of Show Cause to a Sanction of Probation or Sanction of Warning with continued monitoring, If the institution has made marginal progress, but not enough to be reaffirmed for accreditation. The Show Cause action will require a teach-out plan and, if applicable, teach-out agreement(s). The institution may be required to appear before the Commission to consider the status of its accreditation.

Further Monitoring

To comply with the expectations of the Show Cause sanction, Bastyr must meet the following monitoring expectations.

<i>Monthly</i>	<ol style="list-style-type: none"> All financial and enrollment information provided to the Bastyr University Board must also be provided concurrently to the NWCCU. Meet with the institution’s NWCCU Liaison to provide regular progress updates.
<i>After census each term</i>	<ol style="list-style-type: none"> Immediately after the census date for each academic term, the institution shall submit to NWCCU, FTE Enrollment data for the term, comparing the current term enrollment to the same term for the previous year, and providing financial numbers to date for that term (including expenditures and revenue).
<i>Within 30 days from receipt of this letter</i>	<ol style="list-style-type: none"> A comprehensive budget based on realistic projected enrollment, revenue, bond payments, etc.
<i>Within 60 days from receipt of this letter</i>	<ol style="list-style-type: none"> An accurate list of all students, their declared major and/or program, and their remaining credits to completion. A report listing institutions that have the above majors and/or programs who are willing to engage in teach-out agreements. This report should be accompanied by letters of support signed by the agreeing school and naming which majors/programs they agree to teach-out.

<p><i>Within 90 days from receipt of this letter</i></p>	<p>1. Bastyr will submit to NWCCU its draft teach-out agreement. The following elements are required in teach-out agreements per 34 CFR 602.24(c)(6):</p> <p>From the institution closing the program, branch campus, additional location, or Institution:</p> <ul style="list-style-type: none"> • A complete list of students currently enrolled in each program at the institution and the program requirements each student has completed. • A plan to provide all potentially eligible students with information about how to obtain a closed school discharge and, if applicable, information on State refund policies. • A record retention plan to be provided to all enrolled students that delineates the final disposition and custodial agreement of teach-out records and existing student records (e.g., student transcripts, billing, financial aid records). • A plan for how students can get copies of their existing transcripts free of charge during the teach-out period. • A plan to treat all students equitably and to assist them in completing their education.
<p><i>Within 120 days of this letter</i></p>	<p>1. Bastyr will submit to NWCCU its draft teach-out agreement. The following elements are required in teach-out agreements per 34 CFR 602.24(c)(6):</p> <p>From the institution receiving students from the closing program, branch campus, additional location, or institution:</p> <ul style="list-style-type: none"> • Information on the number and types of credits the teach-out institution is willing to accept prior to the student's enrollment (a degree map/cross-walk) • A clear statement to students of the tuition and fees of the educational program and the number and types of credits that will be accepted by the teach-out institution.
<p><i>Immediately upon receipt</i></p>	<p>1. Independent financial audit for FY 2023 2. Independent financial audit for FY 2024</p>
<p><i>In the event that implementing the teach-out agreements become necessary...</i></p>	<p>1. The institution will prominently display this information on its website listing the receiving institution(s) and the majors and/or programs they will be teaching out. This statement should include why the teach-out is occurring and helpful information for the students who will be accessing the teach-out plans.</p> <p>2. Bastyr will meet with their NWCCU Liaison biweekly providing updates on the teach-out agreements including how students have been contacted, the status of teach-out plans, and the institutions compliance with all teach-out agreements.</p>

Future Evaluations

- Fall 2024 Ad hoc (final decision to be rendered at the January 2025 NWCCU Commission meeting)
 - Recommendation 2 (2019 EIE): Planning for programs and services be guided by core themes and/or institutionally defined goals and objectives, consistent with the university's strategic and the academic master plans and that planning efforts are

informed by appropriate defined data that are analyzed and used to evaluate achievement of core theme objectives. 1.B.3

- Recommendation 3 (2019 EIE): Implement a holistic process of systematically collecting, analyzing, and communicating meaningful, assessable, and verifiable data with appropriately defined indicators and benchmarks as the basis for evaluating student achievement and engage in regular review of the assessment process to ensure the appraisal of authentic achievements that will lead to improvement of programs and services. 1.B.1; 1.C.7; ER
- Recommendation 4 (2019 EIE): Create a systematic plan for the university, utilizing the unique considerations of each campus and clinic location, in the areas of finance, physical operations, and technological infrastructure. The evaluation team strongly suggests that consideration be given to current documents, such as the CER Board report, and data implementable at university-operated and community clinics. Assessments of the plans should include outcomes, quantifiable indicators and benchmarks, and timelines. 2.E.2; 2.I.1
- Special Report Spring 2025
 - Recommendation 1: Fall 2024 Financial Resources Review
 - Recommendation 2: Fall 2024 Financial Resources Review
- Year 6 - Standard 2 - Policies, Regulations, and Financial Review Fall 2025
- Year 7 - Evaluation of Institutional Effectiveness Fall 2026

NWCCU is committed to an accreditation process that adds value to institutions while contributing to public accountability. We thank you for your continued support of this process. If you have questions about any of the information in this letter, please contact your staff liaison, Dr. Teresa Rivenes, at trivenes@nwccu.org.

Sincerely,



Sonny Ramaswamy
President

cc: Dr. Kathy Fritch, Associate Vice President of Academic Affairs
Ms. Carol Taylor, Board of Trustee Chair
Mr. Michael Meotti, Executive Director, Washington Student Achievement Council