



July 5, 2007

Martin J. Hamilton
President
New College of California
777 Valencia Street
San Francisco, CA 94110

Dear President Hamilton:

At its meeting on June 20-22, 2007, the Commission considered the report of the special investigation team that conducted the special investigation of New College of California, which included a visit on May 31, 2007. The Commission had access to the special investigation team report and to New College's response, dated June 18, 2007. The Commission also had access to New College's accreditation record with WASC, including previous action letters and the recent action of the Interim Report Committee regarding the progress report submitted by the College. The Commission appreciated the opportunity to speak with you, Board members Ernest Brown and Phillip Knowlton, and Academic Co-Vice Presidents Linda James Myers and Michael McAvoy.

Background

This special investigation was conducted under the Commission Policy on Summary Sanctions for Unethical Institutional Behavior, set forth in the WASC 2001 *Handbook of Accreditation* (at page 56). The investigation was precipitated by the submission to WASC of six detailed letters to the Commission alleging various improprieties and violations of the WASC Standards, including specified violations of Standard 1. Because some of the allegations raised serious questions about New College's ethical conduct under Standard 1, a three-person team was appointed to review the letters and determine a course of action. Preliminarily, the special investigation team interviewed a number of the authors of the letters and found that the letters and testimony warranted further investigation under the Summary Sanction policy.

New College was given notice of the investigation on May 18. The investigation proceeded with review of additional documents requested by the special investigation team and provided by the College. The College arranged for the special investigation team to interview a roster of faculty members and

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administrators identified by the special investigation team. The visit took place on May 31 as scheduled. Additional documents, primarily student records, were reviewed on site, followed by several hours of interviews held off campus. After the visit, additional documents provided by New College at the special investigation team's request were examined, along with additional information provided voluntarily and confidentially by several members and former members of the New College community.

While New College did cooperate with the investigation, it was not fully responsive to requests for information and materials. For example, New College did not provide complete information on program curricula that was requested by the team. The team requested the curricula for the PHLUTE program and for the common core of courses required for the BA degree in Humanities, specifically a list of courses showing required and elective courses, units per course, sequencing, and the amount of time in class per course. This information, which constitutes the foundation of any degree and should be readily available, was not fully provided either before, during or after the investigation or in New College's June 18, 2007 response. Further, the New College response to the team report contains new information about some of the areas that the team explored in depth in interviews, which was material to the investigation, should have been known at the time of the visit, and would have been expected by the team to be revealed at the time of the visit in response to questions posed by the team.

In its June 18, 2007 written response and in the presentation by you and other representatives of the College before the Commission, heavy reliance was placed on the special mission of the College and its outreach efforts to underserved communities. The Commission has well appreciated the mission of New College throughout its history with WASC, and it is largely as a consequence of this special mission that the Commission has been so forbearing in its actions with relation to the College. Nonetheless, the issues now before the Commission are not related to the College's mission but are fundamental to the basic accreditability of the College.

In reviewing the material before it, including the responses of the College, the Commission noted that New College has had a history of difficulty in meeting Commission Standards since the beginning of its relationship with the Commission. The Commission has repeatedly found that, in addition to longstanding and ongoing financial challenges, New College did not have systems and structures in place in very basic areas of operation, including governance, faculty oversight of academic matters, assessment of student learning, and financial management and accounting. At the very core of any accreditation relationship is the integrity of an institution's records – for admissions, financial aid, credit award, grades, transcripts, and more. During this special investigation, these core processes have again been found inadequate.

In meeting its responsibilities to students, the public, the higher education community, the federal and state government as a recipient of financial aid money and other benefits, and to the Commission, New College unequivocally bears the burden of demonstrating that each of these systems is accurate, fully protected, and secure. New College must be able to show that personnel are fully trained and empowered to protect the integrity of records and to administer established policies fairly, consistently, and without interference; that records are accurate and changes to records are fully noted with a detailed rationale for exceptions; and that the

recordkeeping system is not vulnerable to *post hoc* changes. Without reliable evidence that these elements are in place, the fundamental basis for the public certification that WASC accreditation represents does not exist. Therefore, the Commission views the matters raised in this special investigation to be of the highest importance and gravity.

In light of the special circumstances of this investigatory review, the team was given a limited charge for the scope of its review and a limited time frame that included a one-day visit, supplemented by review of materials before, during and after the visit. The team was charged to review the issues relating to integrity and ethics, and to evaluate whether sufficient evidence of violations of the Standards relating to integrity existed to warrant Commission action and/or follow-up. After reviewing all of the evidence, including the report of the special investigation team, the Commission has found substantial evidence of violations of WASC Standard 1, which requires that the institution “function with integrity.” Of particular concern are Criteria for Review (CFR) 1.7 relating to the fair and equitable treatment of students, 1.8 relating to operational integrity through policies and sound business practices, and 1.9, which covers honesty and candor with WASC in all matters, including substantive change. In addition, the Commission has found that New College fails to meet the WASC Standards in a number of other areas cited in the special investigation team report and in the action letter of the Interim Report Committee.

At the outset, the Commission acknowledges that the team did not find a “smoking gun” that constitutes “unequivocal evidence” of intentional wrongdoing. This finding should not be mistaken for vindication of the conduct of New College administrators or for absolution for the many violations of the Standards that the team uncovered and that the Commission finds occurred. After review of substantial documentary and testimonial evidence, the team found clear and egregious violations of institutional integrity, academic integrity, and other basic tenets of the Standards of Accreditation.

Findings of the Commission

Operational Integrity: The Commission has found that New College lacks operational integrity, one of the basic elements of the Core Commitment to Capacity that each institution is to demonstrate to become and remain accredited: “The institution functions with clear purposes, high levels of institutional integrity, fiscal stability, and organizational structures to fulfill its purposes.” As cited in the report, “the team received repeated evidence contained in both written and oral communications that elements of what might be regarded as normal academic proceedings and recordkeeping are sloppy, at times poorly supervised, have on occasion an ad hoc character....” Procedures to protect the integrity of award of credit and grades, such as they exist, are not followed. Many gaps in processes allow actions to be taken without proper administrative or faculty authorization or oversight. The special investigation team characterized New College as having “a culture of administrative sloppiness and arbitrariness.” While New College admits in its response that there are “flaws” in its administrative policies and procedures, this characterization understates the seriousness of the problem. Contrary to statements in the New College response, which imply that previous teams have not found fault with New College’s recordkeeping, previous teams have noted serious problems with policies, procedures

and systems. (For a further discussion of this matter, see Systems of Accountability, Approval and Planning below.)

The special investigation team identified several processes that constitute the fundamental underpinnings of college academic and student services operations, which at New College are nonexistent, lacking in some way, or not consistently followed. These areas include:

- 1) **Admissions:** Waivers of required documentation are common; students are sometimes admitted long after enrolling and attending classes; letters of acceptance are typically backdated.
- 2) **Enrollment:** Students have been enrolled retroactively in courses and in Independent Studies, sometimes long after the term for which the enrollment was entered and without payment of tuition;
- 3) **Award of credit:** Students have been awarded credit for work that was done long after completion and without departmental or other oversight; unit values of courses have been increased after work was completed;
- 4) **Award of grades:** Grades of Incomplete were changed to letter grades long after the period for making up work had passed and without any oversight; grades have been changed by persons not assigned to teach the course(s) in question;
- 5) **Student files:** Files lack a complete chronological and dated record and are missing supporting documentation and forms;
- 6) **Financial aid and scholarships:** Questions have been raised about the proper handling and award of scholarships and financial aid under federal laws and regulations; and
- 7) **International student reporting and status:** Serious concerns exist about whether reporting has been done in compliance with federal regulations and whether at least one international student was not properly and timely reported after ceasing enrollment.

Each of these matters alone would raise serious questions about compliance with WASC Standards on integrity. Taken together, this pervasive failure to have and follow proper procedures and basic recordkeeping principles means that student records cannot be relied upon as an accurate reflection of a student's enrollment or work at New College. The failure to operate with appropriate policies, procedures, and processes constitutes a lack of operational integrity under Standard 1 (CFR 1.3, 1.7, 1.8) and indicates that New College does not comport with several other areas of the Standards (CFR 2.4, 3.2, 3.8, 3.11, 4.4).

Academic Integrity and Quality: One of the fundamental purposes of accreditation is to assure the public that degrees completed at accredited institutions represent the completion of a course of study that is "appropriate in content and standards" (CFR 2.1). Baccalaureates must represent an "integrated course of study of sufficient breadth and depth to prepare [students] for work, citizenship and a fulfilling life." (CFR 2.2) Academic goals and programs must be truthfully represented (CFR 1.7). The Commission has serious concerns about whether New College is meeting these fundamental aspects of academic integrity. As noted by the special investigation team, courses of "doubtful content" have been credited to at least one student's records long after the period for which the credit was to have been earned.

The new PHLUTE program does not have a clear and published curriculum or stated admissions standards and processes that are followed in practice (CFR 1.7, 2.12, 2.14). The program is offered in a modality that requires students to take an exceptionally heavy load of courses but to attend class for about one-fourth of usual number of hours for these credits. This design raises grave doubts about the nature and depth of work that could be done in these courses under Standard 2 (CFR 2.1, 2.2, 2.6), and about the suitability of the program design for students being recruited, many of whom work full-time and are first-time college students or have previously dropped out of college (CFR 2.12). The team called this situation “a gross misapplication of academic advising, program administration and program design.” New College now acknowledges that this heavy course load is not appropriate and that it will redesign this program. However, students have been admitted and enrolled in this program based on the promise that they will “get a degree in two years if they have no college and in one year if they have two years of college,” a promise that seems highly questionable on its face. At the Commission meeting, the New College representatives indicated that significant changes were being made to the program without identifying whether any formal process was undertaken to change the curriculum, whether a formal curriculum was now being put in place, whether standards had been established for credit awards, whether formal notice had been given to students, and how and when these changes would be implemented.

It also appears that New College routinely uses Independent Study to enable undergraduate students to create a curriculum that operates outside published criteria and without a process for academic oversight or review. In one instance investigated by the team, an instructor awarded a student a full year’s worth of credit for Independent Study and appears to have been the teacher of record for 29 of the student’s 60 units of work. A basic principle of the Standards is that students are exposed to a variety of faculty members and that faculty are qualified for the courses they teach (CFRs 2.1, 3.1). WASC has not approved a degree program at New College in which undergraduate students may take a substantial portion of their studies in Independent Study or unstructured, self-paced work. This practice of allowing an extensive amount of a student’s program to be taken in Independent Study raises doubts about whether New College has core curricular requirements that are met by all undergraduate students in a given program, and about whether programs have curricular integrity as anticipated by the Standards (CFR 2.1, 2.2, 2.3, 2.4, and 2.6).

The Commission has previously cited concerns about the academic quality and integrity of New College’s programs. In 1985, the Commission noted problems with the content of the general education program, the coherence of the course of study, and the award of credit. These matters continued to be of concern for at least the following five years, as additional questions were raised by the Commission about the inconsistency of academic program content and the lack of processes to protect academic integrity.

Finally, WASC Standards require that institutions have curricula that meet WASC Standards, that have been properly approved, and that are published for students and for the public in appropriate documents. By its own admission, and as found by the special investigation team, New College does not have and has not implemented formal processes for the review and

approval of programs, program changes, or other basic elements of curricular design and integrity. Thus, the College does not meet these basic standards of academic integrity (CFRs 1.1, 1.8, 2.4, and 2.12).

Systems of Accountability, Program Planning and Program Approval: The failure of New College's structures and processes extends to the way that programs are planned and implemented, as demonstrated by the development of the PHLUTE program, which was rushed into operation, not formally approved by any entity within the college, and now must be radically redesigned. New College has no established processes or structures in place to ensure that faculty exercise oversight of academic programs, policies, and integrity (CFRs 2.4, 3.2, 3.11). New College has no program approval process as required by CFR 4.4. The PHLUTE program was not developed, designed and approved through such a process. The Academic Affairs Workgroup, which is the only faculty-composed group at New College that reviews academic matters, does not have a regular membership, does not maintain regular minutes or other records of meetings, does not have operational procedures, and does not have specified authority to act or approve academic programs or policies. This lack of a process deprives the faculty of a meaningful way to exercise oversight of academic integrity and programs (CFR 3.2, 3.11). New College does not "employ a deliberate set of quality assurance processes at each level of institutional functioning, *including new curriculum and program approval processes.*" (CFR 4.4, emphasis added.)

New College not only fails to provide the faculty with an appropriate role and structure for faculty governance, but it also lacks systems of accountability and lines of authority. The matters investigated by the team are rife with unilateral assertions of authority by the president and others. Persons that should be empowered to oversee the integrity of matters within their domains, including such matters student tuition payment, international student status reporting, and admission processing, have been undermined by persons in higher-level positions who have usurped their authority. In the academic arena, the lines of authority are so murky that no one in the faculty or administration is seen as clearly accountable for the serious mistakes that were made in the handling of the matters that were investigated by the team. (CFR 1.3, 3.10, 3.11)

The Commission has raised concerns about planning and accountability repeatedly with New College. In its 2002 action letter following New College's last comprehensive visit, the Commission cited the lack of planning and accountability systems as a major concern. As stated then, "There is little academic, faculty, technology, enrollment, or resource planning underway..." Moreover, after a Special Visit in 2004, the Commission found little progress and noted that there was "informal and ad hoc behavior" instead of appropriate processes. Both these previous characterizations describe the current state of New College. The special investigation team found a new and relatively large academic program that had been offered without the benefit of planning and faculty oversight. The Interim Report Committee found that New College had acquired property and increased its expenses and debt load beyond its capacity and without planning.

Decision Making, Governance, and Leadership: The Commission found that underlying the matters explored in the special investigation is a lack of effective leadership and required

governance structures. Decision-making processes and mechanisms for the exercise of faculty leadership are virtually absent (CFRs 3.8, 3.10 and 3.11). The board does not exercise “oversight [of] institutional integrity, policies, ongoing operations...” (CFR 3.9). Commission concerns about leadership and decision making at New College have been present throughout the College’s relationship with WASC. In the 2002 action letter, the “extremely serious management problems” at New College were cited:

“New College’s leadership has operated with a [great] degree of autonomy, and often in isolation from the rest of the institution, and ... faculty engagement and accountability for the quality of academic programs is not consistently evident.”

This 2002 letter also states that there is “little evidence that the leadership creates or sustains structures or systems ... [for] planning, decision making or ... capacity to improve.” The processes and structures that started to address this persistent institutional problem, and were observed by the Special Visit team in 2006, appear to have failed to meet their promise, as evidenced by the current state of New College’s academic and financial situation.

The special investigation team found New College to have “a lack of decisional transparency, a sharing of authority between the administrative and academic side of the house, and a general sense that many, many decisions are made based on arbitrary exercises unbounded by agreed-upon procedures.” The failure of effective leadership and management, reflected in the poor handling of the matters that led to the special investigation and in the financial management of New College that caused the Interim Report Committee to call for a Special Visit, rests squarely with the President. The President is responsible for “effective educational leadership and management at all levels” (CFR 3.10) and for “creat[ing] and sustain[ing] a leadership system at all levels that is marked by high performance, appropriate responsibility, and accountability” (CFR 1.3). Contrary to meeting this standard, New College is described by the team as having “a broad culture of error and poor judgment.” The leadership has not honored the most basic principles of institutional integrity, shared governance, and sound management.

One example of unbridled presidential authority that the special investigation team found troubling, and that that merits mention here, is the way in which presidential scholarships are awarded. As noted in the special investigation team report, as president you may make awards in your discretion on a case-by-case basis without considering any stated criteria. These awards, essentially unfunded tuition waivers, amount to foregone revenue. Granting the awards without applying objective criteria, without documentation of the basis for the awards, and without checks to ensure that awards are properly made may well present potential issues related to not only federal tax law but also to state law governing non-profit corporations. Further, making awards to persons close to the administration and board without appropriate oversight is unsupportable and raises serious concerns about favoritism and cronyism.

At least two matters that became known during the special investigation support the finding that the governing board is not exercising appropriate oversight. One relates to the board’s handling of the serious allegations of impropriety that were raised by a group of faculty members and administrators about the president, a faculty member and a student. Given the seriousness of

these allegations, the credibility of the sources, and the detail with which these allegations were documented, the board, applying prudent business practices, should have conducted an independent investigation. Instead, the board assigned two administrators who report directly to the president to conduct this investigation and failed to document or record deliberations of the investigation in its minutes. The Commission finds that this mishandling of such a serious grievance to be a violation of the board's fiduciary duty under CFRs 1.8 and 3.9.

The second matter relates to the board chair's recommendation of a colleague from her office for enrollment at New College and a presidential scholarship. While the special investigation team found no intentional wrongdoing in this matter, the entire record is fraught with the appearance of conflict of interest and impropriety. Both these actions undermine the principles that boards operate with independence from the administration and exercise oversight of "institutional integrity" under CFR 3.9.

The Commission has serious doubts that the same board and executive leadership that have allowed the problems described in this letter to persist are now capable of remedying these serious and pervasive matters. New College will need to demonstrate at the time of the next visit that it has in place the board and executive leadership that understands the magnitude and seriousness of these issues, appreciates the impact of these problems on the integrity of New College credit and degrees, and has instituted a clear set of strategies to address each of the matters raised in this letter. The willingness and the ability to govern must be evident in order for New College to meet the requirements of the Standards (CFRs 1.3, 3.8, 3.9, 3.10).

Financial Sustainability: As noted in the Background section of this letter, the Commission reviewed not only the special investigation team report but also New College's accreditation history, including recent changes in its financial position reviewed by the Interim Report Committee. New College has been in a state of financial crisis for most of its history with WASC and once again appears to face financial exigency. In 2002, in finding that New College did not meet the expectations of Standard 3, we said,

"The College does not have stable revenues, sufficient financial reserves, effective financial controls and systems, or effective financial budgeting and planning."

This statement is still true today. In March, the Interim Report Committee found that the already weak financial condition of New College had likely "materially worsened in the last year" with the purchase of two properties and the increase in debt related to those purchases, which were made without necessary analysis and planning. New College has a negative financial ratio and is subject to loss of its eligibility for Title IV funds. The Interim Report Committee has called for a Special Visit in fall 2007, which has been approved by the Commission. New College's leadership appears to dismiss these concerns, indicating, in essence, that the College has always been in a precarious financial condition and has found ways to continue to survive, so there is little cause for concern. The Commission reiterates its support for the Interim Report Committee's findings and wishes to emphasize to New College the seriousness with which it views the current financial crisis. (CFRs 3.5 and 4.1-4.3)

Substantive Change: Related to New College's failure to have program approval processes in place (CFR 4.4) is the special investigation team's finding that one or more degree programs appear to have been implemented without the necessary prior approval of WASC. WASC informed New College in August 2006 that, pursuant to the WASC Policy on Degree-Level Approval, it does not have authority to offer new degree programs at the baccalaureate level without prior approval by WASC. New College has approval from WASC for one baccalaureate – in Humanities. New College indicates on its 2007 Annual Report that it has 14 majors, including Experimental Performance, which appears to be fundamentally different in content from any other major. As noted above, New College has started a cross-disciplinary, compressed, weekend bachelor's degree program, the PHLUTE program, which varies substantially in content and modality from other programs.

Despite the special investigation team's requests, New College failed to provide a description of the core content of the approved baccalaureate program, common to all such programs, so that the special investigation team could ascertain if any of the existing BA degrees are sufficiently different in content or modality from the approved degree to warrant substantive change action. Information provided in New College's response to the team report also does not contain the kind of detailed curricular descriptions that were requested by the team and that an institution would be expected to have readily available and distributed to students. While New College contends that the PHLUTE program does not meet the requirements for Substantive Change, the team found, from the limited and confusing information provided, that "in all likelihood it meets the criteria for review by the WASC Substantive Change process." It should be noted that New College was sanctioned in 1978 for implementing a program without prior approval of the Substantive Change Committee, and it is well aware of the consequences of not submitting programs for approval when required by WASC policy.

Implementing programs that constitute substantive change without receiving required approvals is a serious violation of WASC substantive change policy, federal regulations, and CFR 1.9. Institutions have a fiduciary responsibility to WASC and students to receive requisite approvals before commencing programs. WASC in turn has a responsibility to the US Department of Education to assure the integrity of programs by reviewing them in advance of implementation. Institutions that start programs without approval are subject to the loss of Title IV funds, and students enrolled in those programs may be required to repay loan funds that they have borrowed through Title IV financial aid.

Commitment to Accreditation and Relationship with WASC. Finally, the Commission found that New College's reaction to the team report, both in its written response and in its appearance before the Commission, evinces a lack of understanding and responsiveness to the matters raised in the team report. The response attempts to minimize the gravity of the situation in which New College finds itself, and to trivialize the many findings of misfeasance. As noted above, the written response alludes to the team's inability to find unequivocal evidence of intentional ethical violations as though this is a vindication. In focusing on this one sentence, the writers of this response pass over a multitude of other violations of the Standards, many instances of "poor judgment," and "a culture that is fraught with the appearance of impropriety." New information about the specific instances that the team explored is presented in the response, which should

have been brought forward at the time of the special investigation. The appointment of a new registrar is cited as one of the “initial steps” New College has taken to address the problems raised in the special investigation, even though the new registrar was hired before the investigation and was interviewed by the team. The four cases that the team investigated are characterized as aberrations and isolated incidents and not reflective of routine bad practice or lack of process. As noted by the team, “The dominant administrative perspective would seem to be that the complaints received by WASC are motivated or orchestrated by one or a few disgruntled persons and that the events alleged are virtually without merit.” New College’s written response confirms this stance in stating, “The institution can be seen as a target of opportunity, particularly for a group who may band together and act in concert, selectively representing information in a manner that creates a picture that seems to depict a pattern of more widespread difficulties in operations than is actually the case.” This view of the state of New College, reiterated by you at your appearance before the Commission, demonstrates a failure to appreciate the severity of New College’s problems and a lack of willingness to address these issues honestly and directly. The Commission did not find one planned step in the New College response that is fitting in scale to address the magnitude of the issues that you face, but heard only broad assertions about a desire to “do better.”

Under CFR 1.9, institutions have a commitment to accreditation as follows:

“The institution is committed to honest and open communication with the Accrediting Commission, to undertaking the accreditation review process with seriousness and candor, and to abiding by Commission policies and procedures, including all substantive change policies.”

The Commission found that New College does not meet this commitment. The Commission observed that the findings of the special investigation team would have supported a more serious sanction than is now imposed, but chose to give New College one final opportunity to undertake the kind of reforms that are needed to address the grave problems that New College faces. Given the gravity and scope of the issues cited in this letter, New College is now given notice that, if there is not significant improvement by the time the team visits in fall 2007 in all of the areas noted, the Commission will consider whether to terminate the accreditation of New College.

Commission Action

Therefore, the Commission acted to:

1. Receive the report of the Special Investigation team.
2. Place New College of California on probation.
3. Expand the scope of the Special Visit already scheduled for fall 2007 to include the matters covered in this letter as well as those already in the May 3, 2007 Interim Report Committee letter.

4. Prohibit the offering of any new programs, concentrations and majors.
5. Immediately suspend enrollment of new students in the PHLUTE and the Experimental Performance programs until these programs are approved through the WASC Substantive Change process. No backdating of enrollment into these programs shall be permitted.
6. Pursuant to the program audit requested below, a staff review of New College's programs will be conducted. If any of the College's programs are found to be operating without required WASC approval, New College may be requested to suspend enrollment of new students in such programs as well, until such programs are approved.
7. Suspend award of presidential scholarships based solely on presidential discretion.
8. Require that this action letter be distributed to the full Board of Trustees, all full-time faculty and staff, to any other faculty and staff members with significant leadership roles, and to student leadership within 30 days of receipt, and that verification of such publication be provided to WASC no later than August 6, 2007. This verification must include any written statements that accompany this letter and a list of the persons to whom it was provided, with titles, date provided and method of transmittal.
9. Request the College to provide reports and audits as set forth below in this letter.

Responsibilities of New College in Preparation for Fall 2007 Visit

New College is requested to provide the following reports and audits:

1. A curriculum and substantive change audit report within 30 days of this letter, no later than August 6, 2007. This audit is to include the following:
 - a. A list of all degree programs, including all majors, concentrations, and emphases, offered at any time since fall 2002, including the PHLUTE program, however classified;
 - b. The name and title of the program director or department chair responsible for each program as of June 1, 2006 and June 1, 2007;
 - c. The date that each program was approved and was implemented at New College, the name of the approving body, with minutes reflecting same attached;
 - d. The location at which each program is offered;
 - e. The number of students in each program;
 - f. A curriculum description for each program, including required and elective courses, unit value per course, course prerequisites and sequencing, and an indication of whether courses may be taken by Independent Study;
 - g. The modality of each program and course (traditional in-person, independent study, online, low residency/weekend or other modality) and the number of hours that each course meets in person;
 - h. The electronic and hard copy publications in which information about each program appears, with copies of these documents attached;

2. With the curriculum and substantive change audit, to be submitted within 30 days of receipt of this letter and no later than August 6, 2007, a complete description of the core curriculum that is common to all baccalaureate-level programs, majors, concentrations, and emphases, including the list of required courses, course descriptions, unit value per course, course prerequisites and sequencing, the modality of each course (traditional in-person, independent study, online, low residency/weekend or other modality, and the number of hours that each course meets in person.
3. A Substantive Change Application for each program that the College, on its own, or WASC staff find requiring approval under Substantive Change policies no later than one month after such finding is made by the College or communicated by WASC in writing to New College.
4. A Special Visit report to be submitted no later than September 1, 2007. This report must address all the areas cited in this letter and provide all the information requested above. The report must include the following:
 - a. A student records audit which should include:
 - i. the beginning and end dates of the summer 2006, fall 2006 and spring 2007 terms;
 - ii. a list of all students enrolled in summer 2006, fall 2006 and spring 2007, with a record of dates of their admission;
 - iii. a copy of the transcript of each student.
 - iv. a list of all Independent Study courses for which any student was given credit in summer 2006, fall 2006 and spring 2007, including the name of the course, sponsoring faculty member, and the amount of credit awarded.
 - v. published course listings and schedules showing all courses for all programs for summer 2006, fall 2006 and spring 2007.
 - vi. a list of all grades of incompletes posted in summer 2006, fall 2006 and spring 2007, with course, student, and instructor names and identification of any changes from Incomplete to a different grade, showing the new grade, the person making the change, and the authorization for the change.
 - b. The process that has been put in place to ensure that all new offerings that meet the criteria for substantive change review are submitted to WASC for approval prior to implementation
 - c. Other changes in policies, procedures, organizational structures and personnel, and lines of accountability relating to the issues raised in this letter, including a new organizational chart.
 - d. An employee audit showing the names of all employees as of June 1, 2006, June 1, 2007 and August 1, 2007.
 - e. A clear and objective analysis of the financial obligations of New College, including its ability to meet its debt obligations, including payroll, in a timely manner.

- f. New processes and structures put into place to ensure that major decisions concerning financial matters, including budgets and real estate transactions, are properly reviewed and approved by the Board.
- g. Concerning presidential scholarships:
 - i. A legal opinion from the California State Attorney General's office or an independent expert in non-profit corporate and tax law documenting the legality of the presidential scholarship program and setting forth any changes in that program to bring it into conformity with the law and sound business practice, and
 - ii. Newly established criteria for the award of presidential scholarships that eliminate awards based solely on the discretion of the president, and new procedures and documentation requirements for the award of such scholarships.
- h. An audit of all Independent Study courses for which any student was enrolled in summer 2006, fall 2006 and spring 2007, showing, by term, the faculty member assigned to the course, the student's name, and the grade awarded.
- i. The following information and documentation about the PHLUTE program:
 - i. A list of all students who have ever been enrolled in the PHLUTE program, showing the name, date of admission, basis for admission, transcripts, credit earned to date, and, if applicable, date of completion or withdrawal.
 - ii. Course syllabi for all courses in the PHLUTE program.
 - iii. A list of faculty members that have taught in the PHLUTE program.
 - iv. A copy of any notice given to students regarding changes made to the curriculum, units, modality, instruction, sequencing, time in class, admission requirements, and other aspects of the program.

Probation is a determination that an institution has been found to have serious issues of noncompliance with one or more Commission Standards. While on Probation, the institution will be subject to special scrutiny by the Commission, which may include requirement to submit periodic prescribed reports and to receive Special Visits by representatives of the Commission. During the period of probation, the Commission will consider progress made by the institution. However, it is the responsibility of the institution to demonstrate at the time of the next visit that it is in compliance with all Commission standards and has demonstrated that it has the resources, organizational arrangements, academic standards and processes necessary to give assurance of continuous self-monitoring, as well as the continued stability of its purposes, programs, faculty and staff, and financial and physical resources for a minimum of five years.

The Commission policy provides that, in the case of a public negative action, a public statement will be prepared in consultation with the institution for response to inquiries. The Commission reserves the right to make the final determination of the nature and content of the public statement. Enclosed is a copy of a draft public statement. Any comments you wish to make should be received in this office by July 15, 2007.

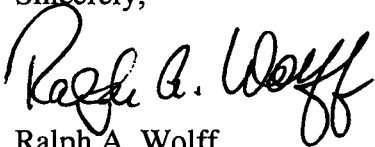
It is Commission policy that, during the Probation period, any new site, degree program, major or concentration will be considered a substantive change and will be subject to prior approval (see the *Substantive Change Manual* for details). In addition, during the period of Probation, the College is cautioned to exercise restraint in initiating new off-campus programs until the availability of adequate faculty and library resources can be assured, and the issue of accelerated programs is seriously assessed.

The Commission also requests a meeting between WASC staff and representatives of the Institution, including senior leadership, faculty leadership, the ALO, and the chair of the Board of Trustees within 90 days following receipt of this letter. The purposes of the meeting are to further clarify the reasons for the Commission's concern and to discuss the institution's plans for responding to this action.

Institutions that are placed on Probation may request a Commission Review of the decision (see pages 56-59 of the *2001 Handbook of Accreditation*, which specifies the timelines and procedural requirements which are necessary in order for institutions to request a Commission Review.) The Commission has also prepared additional material and has established fees for the review process, details of which may be obtained from the Commission office.

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

Sincerely,



Ralph A. Wolff
President and Executive Director

RW/aa

Cc: John D. Welty
Catherine Sneed, Chair of the Board
Mitch Hall, ALO
Members of the team
Teri Cannon

Enclosure

DRAFT

PUBLIC STATEMENT ON NEW COLLEGE OF CALIFORNIA

At its meeting on June 20-22, 2007 the Accrediting Commission for Senior Colleges and Universities acted to place New College of California on Probation. Probation is imposed when an institution has been found to have serious issues of noncompliance with one or more of the Commission Standards. While on Probation, the institution is subject to special scrutiny and any new site or degree program is subject to review through WASC's substantive change process.

The Commission reviewed New College of California under the WASC *2001 Handbook of Accreditation* and found that the College was not in compliance with elements of all four of the WASC Standards for Accreditation: Standard 1 (Defining Institutional Purposes and Ensuring Educational Objectives), 2 (Achieving Educational Objectives through Core Functions), 3 (Developing and Applying Resources and Organizational Structures to Ensure Sustainability), and 4 (Creating an Organization Committed to Learning and Improvement).

This action was taken following a special investigation of New College, which included a visit on May 31, 2007, and a review of an interim report submitted by New College to WASC in fall 2006 and reviewed by the WASC Interim Report Committee in March 2007. A Special Visit will be scheduled for fall 2007 to evaluate New College's progress in addressing Commission concerns.

This action is subject to a right of review under the WASC Policy on Commission Review Process.

The Accrediting Commission for Senior Colleges and Universities accredits 151 baccalaureate and graduate degree-granting institutions in California, Hawaii, Guam and the Northern Marianas Islands. The Western Association of Schools and Colleges is one of seven regional accrediting commissions and is recognized by the United States Department of Education.

This statement has been reviewed and approved by the institution.

July 5, 2007