

MEMORANDUM

To: Art Zucker

From: Toni A. Murdock

Re: Accreditation Conversations

Date: May 7, 2008

At the request of Reuben Harris who had concerns about the impact of any decision to reconstitute the Board of Trustees of the University on accreditation, I have had conversations with representatives of both NCA and OBR as follows:

NCA—5/1/08 with Karen Solomon

Any substantial change in governance and by-laws and any change in control of the Board will result in an accreditation review process by NCA. After explaining the situation with agreement of a changed board with 8-8-4, I asked what the process and actions of NCA would be.

NCA will want to see the following:

1. Organizational structure and by-laws
2. University and College budgets
3. College academic plan
4. Memorandum of agreement between BOT and ACCC
5. Financial picture—what will happen if this new Board can't stabilize the College?

If this review raises concerns about College operations and the ability of the University to financially support its academic plan, it could be placed on probation or given notice of deficiencies. Ultimately, failure to correct the cited problems could result in loss of accreditation.

If the College stays open and it intends to begin recruitment, even of its current students, NCA wants to know what is being said to them. They want to see the recruiting literature and messages.

If the College is intending to separate after one or two years, NCA will want to know the specifics about what will happen afterwards to both the College and the University. They will want to have assurances that both operations will be viable in the future and financially able to support the academic program offered. That analysis will need to be presented to them early. NCA has gone through the separation issue with another institution, and it was an 18 month process. They have to be assured that there are two separate institutions and they would have to schedule a visit to verify that issue. NCA

stated again that the College would have to go through a separate accreditation at the time of the separation.

OBR--4/30/ with Jane Fullerton

If the College remains open, OBR stated that they would want to look at the financial resources, academic plan, and the student support structure. Since the University determined it could not continue the College—they would want to know what has changed and what the plan looks like.

They would need to do a review and that couldn't be done until this summer because they are so back logged. But this wouldn't prevent the College from going forward since it is authorized under the University.

OBR would want to know the changes in the Board's by-laws. At one level they want to know how the Board is serving the University as a whole and the College at another level. Does the Board represent the University?

OBR stated that this was a world of uncharted territory but that they would work with the University in any way they can.

OBR stated that we should check with the Attorney General's charitable contribution office. The issue of people buying seats on the board brings up the question as to whether the organization continues to operate as a non-profit organization. OBR is running into this issue with the Myers University case.

My conversations led me to believe that NCA will be much more rigid than OBR.