

**REPORT OF THE WSCUC TEAM
SPECIAL VISIT**

To: Pathways College

February 28-March 1, 2024

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The team evaluated the institution under the 2013 Handbook and Standards of Accreditation and prepared this report containing its collective evaluation for consideration and action by the institution and by the WASC Senior College and University Commission (WSCUC). The formal action concerning the institution's status is taken by the Commission and is described in a letter from the Commission to the institution. This report and the Commission letter are made available to the public by publication on the WSCUC website.

SECTION I – OVERVIEW AND CONTEXT

A. Description of Institution, Accreditation History, as relevant, and Visit

This Special Visit (SV) was for Pathways College, located in Phoenix, AZ (formerly located in Pasadena, CA). The institution offers online associates degrees and bachelor's degrees in Liberal Studies and Business Administration. They also offer several certificate programs that can lead to entrance to the bachelor's programs. The college was founded in 2007, to serve non-traditional students, who might not attend a traditional post-secondary institution. The college mission is to remove financial barriers for students.

Pathways College was granted initial WSCUC accreditation in February 2022, effective retroactive to June 2021. At the time of initial accreditation for 6 years, the institution was scheduled for a Special Visit (SV) in Spring 2024.

The WASC Senior Commission letter of March 8, 2022, required the college to respond to the following issues at the time of the SV:

1. Develop a comprehensive financial aid program that reflects a serious assessment of the needs of the college's target student population and ensures the college has a strong financial aid team. (CFR 3.1)
2. Provide student services that support the curricular and co-curricular needs of the college's unique student population, particularly in an online environment. (CFR 3.4)
3. Continue to make progress on plans for enrollment management and financial sustainability. (CFR 3.4)

These three issues were addressed in a written report, submitted by the college in late 2023. The review team had access to that report, as well as all the previous SAV materials, commission letters, etc. The college is very small, with only nine full-time students at the time of the SV. Five students have previously graduated. That means there is little data to be analyzed.

All the college instruction is via synchronous distance learning. Per Federal Department of Education requirements, one of the visiting team members went to the Phoenix headquarters. A report of that visit can be found in the Appendix.

B. Description of Team's Review Process

The review team met remotely on January 24, 2024 to prepare for the remote site visit February 28-March 1, 2024. During the site visit the team interviewed the CEO, ALO, CAO, Faculty Chair, Librarian, Registrar/Admissions Director/Student Support Service, CFO and CPO

of the third-party vendor used by the college, Board President, Board Finance Committee Chair, and one student. The team also monitored the confidential email account. The team members were provided login information to the SIS, but were unable to make that work.

SECTION II – EVALUATION OF ISSUES UNDER THE STANDARDS

Issue 1: Develop a comprehensive financial aid program that reflects a serious assessment of the needs of the college’s target student population and ensures the college has a strong financial aid team. (CFR 3.1)

In March 2022, the Commission required that Pathways College develop a comprehensive financial aid program that reflects a serious assessment of the needs of the college’s target student population and ensures the college has a strong financial aid team. (CFR 3.1) Uniformly, interviews with members of the Pathways community demonstrated a strong understanding of the needs of the student population, which is derived largely from under-resourced charter schools and Pathways’ dual-enrollment programs. The community representatives also demonstrated an equally strong commitment to equipping students with the marketable skills and qualities of character needed to lead meaningful, purposeful lives; this includes service to others and securing employment at a comfortable living wage.

A comprehensive financial aid program to support these commitments has lagged. Pathways College pursued federal Title IV funding, but the application was held in abeyance due to concerns about affiliations that officers and board members of the college have with “related parties” including, in some cases, Pathways officers also serving as officers in the governance structures of the related parties. The shareholders of at least one related party declined to disclose required financial audit statements to support Pathways’ Title IV application, thus pausing federal review. There would need to be a discontinuation of all service or monetary transactions between Pathways and the related parties to open the door for new Title IV pursuits. Alternatively, if the overlapping leadership issue is resolved by a shift in the members of Pathways or the related parties’ governance bodies, Title IV will again be an option. While the Pathways administration indicated that the severance of transactions is unlikely, they shared that a leadership transition at Pathways is probable within the next 18-24 months.

The visiting team urges the college to take the necessary steps to secure Title IV funding and diversify the revenue sources required to deliver debt-minimal education in accord with its mission. This will require the identification and full substantive implementation of a qualified chief financial officer who will provide strategic oversight and assume responsibility for the Title IV application process and other strategies for financial sustainability. Should the barriers to

Title IV funding be overcome, the college has already taken substantial and necessary steps to establish a contracted partnership with Higher Education Assistance Group, Inc. (HEAG) to administer its financial aid program. Among the important first steps, HEAG and Pathways have drafted a comprehensive *Policies and Procedures Manual* that is aligned with the institution's goal to create legitimate pathways to meaningful, low-cost professional certificates and degree programs. Significantly, the manual details each available financial aid program, offers information about the rights and responsibilities of student aid recipients, describes the process of award disbursement, and outlines the metrics for satisfactory academic progress that are necessary to maintain eligibility for continued financial aid.

While the Title IV process plays out, Pathways has plans to cultivate relationships with private and organizational donors to support the development of an institutional financial aid program that would provide up to 100 scholarships for college-goers. These scholarships are anticipated to increase enrollment, especially among students who have prior experience with Pathways' K-12 and dual-enrollment programs. The visiting team believes such a financial aid program is viable and agrees that this strategy will increase enrollment and dramatically reduce or eliminate student debt; however, the team cautions that increased enrollment would require a commensurate increase in faculty and student support services staff. It was not clear from the visiting team's conversations with the CEO, members of the Board, or members of the administration and faculty that these sorts of overhead costs have been sufficiently modeled to predict and respond to the increased demands.

As of now, this institutional scholarship program is aspirational and will require a new set of policies and processes to determine how the funds are collected, administered, and renewed. Indeed, the administration of a financial aid program that is reliant on donor funds requires significant expertise and bandwidth. The existing contract with HEAG does not seem to cover that scope of services, and while the existing *Policies and Practices Manual* references institutional scholarships, the bulk of the document is focused on the components of a Title IV program.

In the absence of an established financial aid program, current and prospective students, with support from the enrollment management administrator, are encouraged to identify external funding sources to offset their tuition costs. The Pathways administrators interviewed by the visiting team, including the person appointed to oversee financial aid, agree that the eventual establishment of a comprehensive financial aid program is essential; however, they are likewise optimistic that the network of donor support for Pathways College is extensive, and they expressed confidence that friends of the college will infuse funds as needed to meet financial demands for the foreseeable future. The visiting team is a bit more dubious. The college's 2023 financial statement reports just \$1.6M available to support two years of operating costs, and the CFO of 9Dot Education Solutions reported the college is currently running a deficit. These limited financial reserves and dependency on dual-enrollment

programs to fund the college are concerning for even the short-term survival of the institution. The 2023 financial statement also indicates that the expansion of dual-enrollment partnerships across the country will provide additional revenue for the college. While this creative solution is laudable both for its potential to generate revenue and for its promotion of educational pathways for high schoolers and undergraduates, the administrative demands to establish and maintain dual-enrollment partnerships, especially across multiple states and time zones are significant. The visiting team urges Pathways College to stay attentive to the potential dilution of efforts that directly support the core educational mission of the college. For example, because the dual-enrollment students take classes with the college students, it is important that course offerings reflect the needs of both populations, without shortchanging the academic progress of the college-goers by virtue of high school demands. This mutually beneficial relationship will require careful monitoring.

Issue 2: Provide student services that support the curricular and co-curricular needs of the college's unique student population, particularly in an online environment. (CFR 3.4)

The college has only nine full-time students, which means that individual curricular and co-curricular needs can be handled by the small staff. There is one permanent faculty member, who serves as Faculty Chair, working with all the part-time instructors located around the country. Additional tutorial help is available, when needed, from instructors and tutors. Academic issues, and non-academic ones that can impact students' work, usually are brought to the attention of the faculty first. Individualized accommodations can usually be made, given the small student population. Without policies and guidelines, this could be difficult as the student numbers increase. For example, Pathways has a single person serving as the Registrar, Admissions Officer, and Student Services Director. While this may be feasible with nine students, it is not sustainable as the college plans for an enrollment of 100 students. It was not clear to the review team that the current campus leadership of six employees all understand what resources will be required for scale up.

It is important to mention that Pathways College has no mental health professionals to work directly with students. Rather, as a need is identified, The Faculty Chair or Student Services Director makes referrals to the student's local community resources. Since students can be located anywhere in the U.S., this means spending time investigating available options for the student. The college does contract with a provider for a toll free number that can also provide referrals.

The small permanent staff of the college have a deep commitment to its purpose and to the students they serve. They are providing well for the current students. The review team is concerned, however, about lack of a clear plan for maintaining the quality of service as student numbers increase.

Issue 3: Continue to make progress on plans for enrollment management and financial sustainability. (CFR 3.4)

The Commission also required Pathways College to make progress on plans for enrollment management and financial sustainability. (CFR 3.4) Further progress is warranted in this area. Fundamentally, the space in which Pathways College operates is a challenge, especially without an implemented federal financial aid system. Without an established federal financial aid system, Pathways College is not drawing enough tuition-paying students to come close to breaking even. For example, the programs offered by Pathways College do not appear to be attracting interest from international students, who generally pay full tuition and are not eligible for financial aid. During the prior visit, Pathways College acknowledged that financial aid was a must in order to achieve long term financial sustainability. The above being said, Pathways College administration appears to remain committed to supporting the institution with private money until such long-term sustainability can be reached and, fortunately, immediate budget shortfalls seem capable of being successfully bridged by such interim support for the foreseeable future.

In discussions with the Board of Trustees, the visiting team observed that there should be a closer tie between the Board and the Pathways College administration in terms of developing its strategic outlook, including financial sustainability and leadership succession plans, especially in light of the anticipated changes in leadership at the organization. The visiting team observed that there have been substantial changes in key positions within the administration. Clear leadership needs to be established within the administration, with the help of the Board, in particular in the finance and enrollment management areas so as to facilitate long-term financial sustainability.

SECTION III – OTHER TOPICS, AS APPROPRIATE

None

SECTION IV – FINDINGS, COMMENDATIONS, AND RECOMMENDATIONS

COMMENDATIONS

The team commends Pathways College for:

- Taking consequential steps to address the recommendation of the WSCUC Commission.
- Adhering to the mission of the institution to create legitimate pathways to meaningful, low-cost professional certificates and degree programs.
- Establishing a contracted partnership with Higher Education Assistance Group, Inc. (HEAG) to administer a compliant financial aid program (pending Title IV approval).
- Appointing a strong and responsive academic and student support team to support the faculty and students.

The team recommends that Pathways College take the following steps in response to issues that emerged during the review:

Recommendations

- Designate a chief financial officer whose primary responsibility is to the institution, and establish clear strategies and benchmarks for financial solvency and the long-term sustainability of the institution.
- Engage the Board of Trustees in the development of strategic outlook, to include financial sustainability and leadership succession plans.
- Resolve affiliations with related parties that are inhibiting the institution's qualification for Title IV funding.
- As the institution continues to pursue Title IV approval, systematize an institutional financial aid program that assists students in securing non-federal aid sources through institutional scholarships, regional awards, third-party scholarships, etc.
- Ensure that dual-enrollment and college programs continue to operate in a mutually supportive way, especially as related to course scheduling, curricula, pedagogy, and assessment of student learning outcomes.

APPENDIX

Remote Review Report

Institution Name: **Pathways College**

Institution Address: **2226 N. 7th Street, Phoenix, AZ**

Name and Affiliation of Reviewer: **Barbara Sawrey**

Date of On-site Visit to the Institution: **Feb 23, 2024**

Due to health and safety concerns regarding the COVID-19 pandemic and resulting flexibilities granted by the U.S. Department of Education, the most recent review of **Pathways College** was conducted in a virtual format. This site verification fulfills the requirement for an on-site visit to the institution as part of that review.

Process

- Conduct a brief tour of the facilities.
- Discuss any changes in facilities since the remote review with the ALO.
- Complete this form.

1. What is the condition of the institution's facilities?	Pathways College is an online institution, with instructors and officers all over the U.S. This location is a 2-story building, shared with Pathways Education, which provides charter school learning, dual enrollment, and other features for middle and high school students. The building has a classroom, meeting rooms, offices, break room, and restrooms. Pathways College is assigned the second floor of the building, with a reception area, and two small classrooms, all of which are empty, since the courses are all synchronous and online. The building has clear signage, with separate entrances for the College and the Education units.
2. Reviewer's comments (if any)	I'm not sure what I expected to find for the home of an online college. It is a modern, functional building, and clearly an operational home for the high school education group. There are no Pathways College personnel located on site, and no student facilities. Since their students are from all over the country, I guess that doesn't make a difference.