

July 18, 2018

Dr. John MacArthur
President
The Master's University and Seminary
21726 Placerita Canyon Road
Santa Clarita, CA 91321

Dear President MacArthur:

This letter serves as formal notification of a decision made concerning The Masters University and Seminary (TMUS) by the WASC Senior College and University Commission (WSCUC) at its meeting June 27- 29, 2018 to impose the sanction of Probation. This action was taken after consideration of the report of the review team that conducted the Accreditation Visit to TMUS March 27-29, 2018. The Commission also reviewed the institutional report and exhibits submitted by TMUS prior to the Offsite Review (OSR), the supplemental materials requested by the team after the OSR, and the institution's May 17, 2018 response to the team report. The Commission appreciated the opportunity to discuss the visit with you and your colleagues: John Stead, Chief Academic Officer and ALO, Mark Zakevich, Chief Financial Officer, Dr. Richard Gregory, Senior Vice President, and Dr. Nathan Busenitz, Vice President. Your comments helped to inform the Commission's deliberations.

The Commission has found that The Master's University and Seminary is not in compliance with WSCUC Standards 1, 2, and 3. Under U.S. Department of Education regulations, when the Commission finds that an institution fails to meet one or more of the Standards of Accreditation, it is required to notify the institution of these findings and give the institution no longer than two years from the date of this action to correct the deficiencies. If an institution has not remedied the deficiencies at the conclusion of this sanction period, the Commission is required, under U.S. Department of Education regulations, to take an "adverse action," which in this case would take the form of withdrawal of accreditation. An institution under sanction must address the areas cited by the Commission expeditiously, with seriousness and the full attention of the institution's leadership. It is the responsibility of the Commission to determine, at the end of the sanction period, whether the institution has made the necessary corrections and has come into compliance with Commission Standards.

The accreditation status of The Masters University and Seminary continues during Probation. However, while an institution is on Probation, any new sites or degree programs must be approved through the substantive change process.

The Commission decision to impose Probation is subject to Commission Review. A request for Commission Review must be based on one or more of four limited bases as outlined in the *2013 Handbook of Accreditation, Revised* (see pp. 40-42). A request for review of this decision must be received in the WSCUC office by certified mail within 28 calendar days of the date of this letter.

Actions

1. Receive the Accreditation Visit team report
2. Continue accreditation for seven months
3. Impose Probation
4. Schedule a Special Visit in November 2018 to address areas of non-compliance as described below

Issues to be Addressed

1. Board Independence: The institution does not meet the WSCUC requirement for governing board independence since many members of the Board are employed by the institution or another organization for which the president has authority. According to the WSCUC Governing Board Policy, “for an institutional governing board to be considered independent, a majority of its members may not have interests that influence their impartial decision making, create multiple and potentially conflicting relationships, or result in competing loyalties.” Board members cannot independently evaluate a Chief Executive Officer to whom they report. (*CFRs 3.7, 3.9, and Independent Governing Board Policy*)
2. Personnel and management practices: In addition to a pattern of personnel actions and practices that are inconsistent with the TMUS Employee and Faculty Handbooks, the visiting team observed and received reports of a climate of fear, intimidation, bullying, and uncertainty among significant numbers of faculty and staff. Additionally, the team learned through individual interviews with and confidential emails from significant numbers of faculty and staff that there is a disturbing climate of fear, intimidation and bullying at the institution. (*CFR 1.3, 1.6, 1.7, 1.8, 3.2, 3.6, 3.7, and 3.9*)
3. Operational integrity: The institution’s 2017 financial audit contains a specific finding on appearance of conflicts of interest with the President’s son-in-law supervising a contract from which he benefits, as well as institutional aid that exceeds typical aid awards being awarded to friends and relatives. Of particular concern to the Commission is that the auditor first identified these practices as “significant findings” more than six months prior to the accreditation team’s visit and there was not sufficient evidence that solutions had been fully implemented by the institution. Additionally, as a result of inquiry by the visiting team and panel prompted by Third Party Complaints to the Commission, the Commission is concerned about the institution’s attention to the requirements of the Clery Act and the Violence Against Women’s Act (VAWA). The Commission is concerned about the capacity of the institution’s leadership to operate with integrity, high performance, appropriate responsibility, and accountability. (*CFRs 3.6, 3.7*)
4. Leadership: The institution is not in compliance with the requirement in CFR 3.8 regarding the Chief Executive Officer. In addition, some individuals have been hired without job descriptions being provided and/or searches being conducted. Some institutional leaders lack higher education experience, preparation, and knowledge of key higher education regulatory expectations and professional standards for institutions of higher education. For example, when asked by the visiting team, the COO was unaware of the Clery Act, VAWA, and the Family Education Right to Privacy Act (FERPA). In addition, cabinet members interviewed by the visiting team were unaware of the American Association of College Registrars and Admissions Officers (AACRAO), National

5. Association of College and University Business Officers (NACUBO), and National Association of Student Personnel Administrators (NASPA), professional organizations relevant to their respective roles as higher education administrators (*CFR 3.6, 3.8*)

The Commission requires the institution to respond to the following issues:

1. The Board should immediately review the WSCUC Independent Governing Board Policy and conform its composition and actions to achieve compliance (*CFRs 3.7, 3.9, and Independent Governing Board Policy*)
2. It is recommended that the board immediately establish a special task force to address concerns related to hostile work environment issues as well as personnel actions that are inconsistent with the institution's personnel policies. A confidential third party analysis of the results of survey data and staff comments and accompanying recommendations could be helpful to the board in that process. (*CFR 1.3, 1.6, 1.7, 3.6*)
3. The Commission is extremely concerned that the institution may be in violation of required reporting responsibilities under the Clery Act, VAWA, and FERPA and that the COO, who has been assigned to handle these responsibilities, is unaware of the requirements and processes mandated by these statutes. The institution should take immediate steps to assure that it understands and is in compliance with the federal requirements. (*CFR 3.6, 3.8*)
4. The Board should ensure that the President and his leadership team and those in their span of control follow institutional policy in personnel decisions and require regular reporting on staff and faculty transitions and evaluations, with note of the importance of honoring the Whistleblower Act and related policy in the Employee Handbook. This should include an independent review of all faculty and staff departures over the last three years. (*CFRs 1.6, 1.7, 3.2, 3.6, 3.7, 3.9*)
5. Institutional leadership should assiduously follow the policies of the Faculty Handbook and generally recognized higher education practices, with the Provost being directly accountable to the board for reporting on faculty hiring, releases, and awarding of degrees. (*CFRs 1.3, 2.1, 2.2, 2.4, 3.10, 4.6*)
6. The institution should implement practices to insure the resolution of all reported conflicts of interest. (*CFRs 3.6, 3.7*)
7. The institution should ensure that the President (CEO) is a full-time role and that the Board responsibly monitors compliance with this standard. (*CFR 3.8*).
8. All leaders at the director through executive level should be familiar with professional standards and practices and able to assure that the institution satisfies regulatory requirements. (*CFRs 1.3, 1.6, 1.8, 3.6, 3.7*)

The Commission requires a meeting between the WSCUC staff and representatives of The Masters University and Seminary, including the Chief Executive Officer, representatives of the governing board, and senior faculty leadership, within 90 days from the date of this letter. The purposes of the meeting are to further clarify the reasons for the Commission's findings and bases for decision, to review the actions taken as of the date of the meeting with particular attention to the WSCUC Independent Governing Board Policy, and to discuss the institution's plans for responding to this Commission action.

This decision is subject to further review in accordance with the Commission's Review Process for Institutions on Sanction:

<https://www.wscuc.org/resources/handbook-accreditation-2013/part-iv-commission-decisions-institutions/commission-review-process-institutions-sanction>. Accordingly, the decision will not be reported to the Department of Education or disclosed to the public until the review process has concluded or TMUS determines that it will not seek review. If TMUS intends to seek review, the request, co-signed by the CEO and Chair of the governing board, must be submitted to the President of the Commission within 28 days of the date of this letter together with the required fee.

In accordance with Commission policy, a copy of this letter will be sent to the chair of TMUS' governing board.

Finally, the Commission wishes to express its appreciation for The Master's University and Seminary's cooperation during this accreditation review. Please contact me to arrange the required institutional meeting with WSCUC, and if you have any questions about this letter or the action of the commission.

Sincerely,



Jamiene S. Studley
President

JSS/thh

Cc: Reed Dasenbrock, Commission Chair
Tom Pennington, Board Chair
John Stead, ALO
Members Accreditation Visit team
Tamela H. Hawley, Vice President