DISTANCE EDUCATION ACCREDITING COMMISSION
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July 19, 2024

Ms. Tanya Haggins
President
Lakewood University
2231 North Taylor Road
Cleveland Heights, OH 44112

Dear Ms. Haggins:

The Distance Education Accrediting Commission (the Commission) met on June 21, 2024 to review and evaluate the application for renewal of accreditation submitted by Lakewood University. In connection with this evaluation, the Commission also reviewed (1) the August 7, 2023 letter to Lakewood University that identified a number of directives concerned with the institution's operations as a nonprofit entity, (2) Lakewood's September 7, 2023 response, (3) DEAC's November 8, 2023 letter to Lakewood reiterating its requirements that the institution provide evidence of financial and operational stability through the accreditation renewal process, (4) the May 1, 2024 Chair's Report and the Federal Student Assistance Report from DEAC's February 29, 2024 on-site evaluation, and (5) Lakewood's June 7, 2024 response.

Upon review of the record of this matter, the Commission expressed concern that, after multiple notifications to the institution and requests for documentation, Lakewood University

- is not fulfilling its obligations to provide timely audited financial statements;
- failed to adequately respond to questions the Commission raised regarding its operations as a nonprofit entity; and
- did not demonstrate that its governing body has the ability to effectively oversee the institution's financial performance and operations.

As set forth below, these different areas of concern raise serious questions about Lakewood's compliance with DEAC Accreditation Standards X.A., X.B., XI.A., XI.B., XI.C. and other accreditation standards under review. **The Commission therefore voted to direct Lakewood University to show cause as to why its accreditation should not be withdrawn.** Lakewood University must provide a response on or before **December 1, 2024** for consideration at the Commission's **January 2025** meeting and a Teach-out Agreement pursuant to Section XXI.C. Part Two, Processes and Procedures, DEAC *Accreditation Handbook* on or before **August 19, 2024.** The reasons for and details of this decision are set forth below.

Background Information

Lakewood University applied to the U.S. Department of Education for recertification of its eligibility to participate in Title IV Student Financial Aid Programs on January 19, 2022. In a July 28, 2022 letter, the Department of Education (ED or the Department) noted that "[t]he recertification process uncovered numerous areas of concern related to Lakewood's participation in the Title IV HEA programs as well as whether Lakewood's recognition as a nonprofit institution conforms to the Department's definition of a nonprofit institution" (page 1 of ED's letter dated July 28, 2022). The letter cited concerns related to the University's recertification, including (1) Lakewood's governance structure and other forms of control, (2) payments to affiliated persons and entities, and (3) Lakewood's expenses. The university provided the Commission with copies of its two-part response to ED's initial July 28, 2020 letter. Part I was filed on August 19, 2022. The supplemental response (Part II) was filed on August 27, 2022. The Department's request and university's two-part response were considered by the DEAC Financial Review Committee at its October 24, 2022 meeting. The Financial Review Committee voted to continue monitoring Lakewood University as it proceeded with ED's recertification process and directed an evaluation of the institution's compliance with DEAC Standard XI by a business standards evaluator, in conjunction with an on-site evaluation scheduled in spring of 2023 to review the institution's implementation of a new program. The university was notified on November 24, 2022 that the evaluation of Standard XI had been directed by the Commission's Financial Review Committee.

In a letter dated January 13, 2023, copied to DEAC, the Department informed Lakewood that its earlier submissions had failed to provide a full and complete response to the issues previously identified by the Department and had omitted information that was material to the Department's inquiry. Lakewood was given 21 days to respond to the letter. The university provided the Commission with copies of its February 3, 2023 response to the Department's second Request for Additional Information and notice to the Department of its intention to supplement this response "as soon as practicable."

While Lakewood's two-part response to the Department was under review, on September 22, 2022, the Department of Veterans Affairs (VA) conducted an unannounced review of the University. On December 15, 2022, Lakewood received the report of the unannounced visit, with eight findings, including failure to promptly notify the VA of student withdrawals, term end dates, and changes in status; failure to maintain appropriate records; failure to submit timely certification of student awards; and other matters indicative of a lack of administrative capability and financial responsibility. The university provided the Commission with a letter dated January 13, 2023 that described how it intended to respond to the VA's findings.

These matters were reviewed by DEAC in the context of the institution's compliance with DEAC Standards X and XI during the on-site visit on February 9, 2023. The business standards evaluator's review found evidence of potential conflicts of interest or perceived conflicts of interest in the form of related-party transactions and the comingling of the CEO's personal expenses with university expenses, lack of qualified personnel in the financial department, and lack of financial oversight by the Board of Directors.

Lakewood University provided a response to the Chair's Report on May 9, 2023, disputing some of the findings and providing additional information as context for other findings. DEAC reviewed the Chair's Report and Lakewood's response at its June 2023 meeting. The Commission voted to require an additional response from Lakewood to the business standards evaluator's review within 30 days and put the institution on notice that failure to respond adequately could result in the Commission acting to direct the institution to Show Cause as to why its accreditation should not be withdrawn. Lakewood University provided a response on September 7, 2023.

On September 6, 2023, Lakewood University was notified by the Department of its intention to conduct a Program review September 18-20, 2023. The results of the Program Review have not been provided as of the date of this letter.

The Commission met again in October 2023 and voted to defer acceptance of the institution's response to the August 7, 2023 letter until its meeting in June 2024, when it would review the response in conjunction with the institution's application for renewal of accreditation and an on-site evaluation by a full team of DEAC subject specialists, that included experts in financial assessment and institutional operations. The Commission also expressly notified Lakewood University that it must plan to provide audited financial statements for the year ended December 31, 2023 by May 31, 2024. The institution's site visit for renewal of accreditation was conducted on February 29, 2024.

Given the foregoing and the findings of noncompliance identified below, the Commission is gravely concerned regarding Lakewood University. Despite assurances to address conflict of interest allegations and clarify its adherence to nonprofit corporation obligations, Lakewood University has not been able to fulfill these commitments, despite being granted several opportunities by the Commission over the span of a year. The accreditation standards that are the subject of the Show Cause Directive are set forth below.

Standard X.A. Owners, Governing Board Members, Officials, And Administrators
The institution's owners, governing board members, officials, and administrators possess appropriate qualifications and experience for their positions and the ability to oversee institutional operations. The owners, governing board members, officials, and administrators are knowledgeable and experienced in one or more aspects of education administration, finance, teaching/learning, and distance study. The institution's policies clearly delineate the duties and responsibilities of owners, governing board members, officials, and administrators. Individuals in leadership and managerial positions are qualified by education and experience.

The Chair's Report describes significant problems with the governing structure of the University. The board of directors demonstrates very little understanding of the university's operations. For example, at the time of the site visit, the Board of Directors could not provide explanations for the unaudited loss recognized in 2023 other than "overages" and could not articulate the factors contributing to the decrease in 2023 enrollments or the actions taken by the University's leadership to increase enrollment. The external chief financial officer could not provide information about the university's revenue recognition procedures and other key financial performance indicators. The Board of Directors did not provide evidence that it interacts – either directly or indirectly – with the chief financial officer. During the on-site evaluation, the members of the Board of Directors could not recall who had previously held the position of treasurer before the current treasurer was appointed in August 2023. Further, the president, chief accountant and outsourced CFO could not provide a consistent timeline of when the outsourced chief financial officer first began providing services in 2023. Lakewood's response to the on-site team's request for a summary of the work performed by the outsourced accounting services (bookkeeping, accounting, outsourced CFO) did not adequately outline their roles or responsibilities. At the time of the site visit, the Board of Directors had not approved a contract with a new auditing firm. The previous auditor had been dismissed by the Board due to an error with revenue recognition identified by the current chief accountant that impacted the 2022 and 2021 audited financial statements. Audited financials for FY 2023 were not available, and the 2022 financials revealed inconsistencies and problems that no one at the university was able to explain.

In response, the university presented a timeline that relied heavily on initiatives agreed to only recently at a June 1, 2024 Board meeting, meant to address university governance issues. This does not constitute compliance with Standard X.A. nor does it demonstrate that Lakewood appropriately engaged with the board when DEAC initiated fact-finding regarding governance matters over a year ago. To demonstrate compliance, Lakewood University must show that, consistent with its fiduciary duties, the Board has adequate oversight over Lakewood's financial affairs through the implementation of appropriate corrective measures. For example, Lakewood adopted a policy on June 4, 2024 regarding interactions between the Board of Directors, chief financial officer, and outside accountants. Lakewood must provide documentation that it has implemented this policy. Furthermore, in its response Lakewood stated that, at the June 1, 2024 board meeting, the directors voted to approve an expanded definition of their roles and responsibilities. Lakewood also claims that it adopted a comprehensive procurement policy. It must provide the policy, documentation that it is complying with it, and provide evidence that the Board has proper oversight of the institution's financial position.

Standard X.B. Reputation of Institution, Owners, Governing Board Members, Officials, and Administrator

The institution and its owners, governing board members, officials, and administrators possess sound reputations, a record of integrity, and ethical conduct in their professional activities, business operations, and relations. The institution must promptly notify DEAC of any investigative, enforcement, legal or prosecutorial actions which may be initiated or which are current against the institution, its owners, governing board members, officials and administrators. Such notification shall include an explanation of the circumstances giving rise to such actions and the institution's response to the same as well as its explanation of why such actions should not be deemed a concern with respect to the integrity of the named persons or institutions.

As noted in the background summary above, the Department's review of Lakewood's application for recertification of its eligibility to participate in Title IV raised concerns about potential conflict of interests. Specifically, the Department's review identified issues with related-party transactions and what appeared to be the comingling of leadership's personal expenses with university expenses. The Chair's Report stated that the "Board of Directors [was] unable to clearly describe the conflicts of interest policy and how this is regularly reviewed and enforced." Some of the Conflict of Interest acknowledgement forms were last signed in 2019 when the institution was Lakewood College. The University did not provide evidence of a consistent process for reviewing conflicts of interest annually to determine whether appropriate changes had been made in the management of conflicts and related-party transactions. The University's response was, "All members of the university's governing board have reviewed and signed new conflict of interest disclosures. To ensure ongoing compliance and adherence to ethical standards, board members will now complete the disclosure forms annually." Lakewood University must provide evidence that its Board of Directors has completed training on corporate nonprofit governance responsibilities, including managing conflict of interest, related-party transactions and financial oversight.

Standard XI.A. Financial Practices
The institution shows that it is financially responsible by providing complete, comparative financial statements covering its two most recent fiscal years and by demonstrating that it has sufficient resources to meet its financial obligations to provide quality instruction and service to its students. Financial statements are audited or reviewed and prepared in conformity with generally accepted accounting principles in the United States of America or International Financial Reporting Standards. The institution's budgeting processes demonstrate that current and future budgeted operating results are sufficient to allow the institution to accomplish its mission and goals
and
Standard XI.B. Financial Management
Individuals overseeing the fiscal and budgeting processes are qualified by education and experience. The institution employs adequate administrative staff for effective operations, and at least one person is qualified and able to prepare accurate financial reports in a timely manner. Internal auditing trails and controls are in place to assure that finances are properly

managed, monitored, and protected. Adequate safeguards prevent unauthorized access to online and on-site financial information

The Chair's Report highlighted concerns that Lakewood University is significantly impacted by poor financial oversight practices and inadequate financial management. The university has been unable to provide audited financial statements for the fiscal year ended December 31, 2023 prepared on a comparative basis with the fiscal year ended in 2022. The financial data it uses is frequently outdated, incorrect, and only sporadically shared with institution leadership and the nonprofit board that oversees the university. For example, the Chair's Report noted that the chief accountant "identified an error in the method by which the university recognized tuition revenue" and "estimated that deferred revenues in the audited 2022 financial statements had been understated by over $500,000." The president and the outsourced chief financial officer noted that the financial statements were not prepared on the accrual basis of accounting.

The Chair's Report required Lakewood University to provide "a comprehensive financial reporting process that outlines standard procedures, standard reports, monitoring protocols, reporting frequencies, segregation of duties, and data backup protocols." Lakewood University provided a document titled "Financial Reporting Policy and Procedure" but did not include evidence of implementation. The Chair's Report also required evidence that "administrative access to its financial reporting is limited to the chief accountant and one designated backup," but within its response, Lakewood provided a document called Quickbooks User privileges, which grants multiple users "Standard all access" authorization.

The Commission is concerned that Lakewood lacks sufficient financial management oversight and financial planning needed to sustain its long-term financial viability. In response to these concerns, Lakewood University made several forward-looking promises and projections. To demonstrate compliance, Lakewood University must ensure the submission of audited financial statements for the December 31, 2023 fiscal year prepared on a comparative basis with the year ended December 31, 2022, provide evidence that it is implementing its Financial Reporting Policy and Procedures, and demonstrate that effective financial management practices are in place at the institution that include oversight by its board. Lakewood must also continue to provide documentation that it has implemented the Financial Reporting Policy and Procedure.

Standard XI.C. Financial Stability and Sustainability

The institution maintains adequate administrative staff and other resources to operate effectively as a going concern and is not exposed to undue or insurmountable risk. Any risk that exists is adequately monitored, manageable, and insured. In the event the financial operations of the institution are supported by a parent company or a third party, audited or reviewed financial statements are provided by the supporting entity to demonstrate that the supporting entity possesses sufficient financial resources to provide the institution continued financial sustainability, as well as the commitment to do so. If the institution's financial *performance is included within the parent corporation's statements, a supplemental schedule for the individual institution is appended to the parent statement.*

The Chair's Report noted that the December 31, 2023 internally prepared financial statements reflect a loss from operations of approximately $600,000 in cash and $200,000 in receivables. The Chair's Report stated that "Lakewood University was unable to provide sufficient liquidity strategies that are necessary to continue as a going concern." It stated further that the only source of sustainability beyond tuition identified by the University was the "potential solicitation of funds through an alumni campaign or grant writing initiatives."

The response, while multi-faceted and long, did not dispute any of these observations. The response reiterated grant writing and donation soliciting as revenue sources and promised to do cost management and debt management. To demonstrate compliance, Lakewood must demonstrate that it maintains sufficient financial resources to support its mission as a going concern and long-term financial viability and provide evidence that implementation of grant writing and donation solicitation are providing financial stability.

Standard II.A Institutional Effectiveness Planning
The institution demonstrates a commitment to its educational offerings and administrative operations through processes that monitor and improve institutional effectiveness. The institution engages in sound research practices; collects and analyzes evidence about its effectiveness; and develops action plans that are used to improve operations, educational offerings, and services.

The Chair's Report observed that Lakewood did not provide evidence that it uses data to make improvements and that it did not implement a systematic process for strategic planning. The report observed that the university had sustained a steep enrollment decline and had no concrete plans to reverse it. The report also observed that Lakewood had provided an old and out-of-date strategic plan that did not address financial sustainability.

In response, Lakewood University reported that it held weekly meetings where each staff member provided updates on metrics reported for each department. These metrics are outlined in the offer letters employees sign and are used in annual employee performance evaluations. As such, these metrics appear to be used more for benchmarking employee performance rather than as indicators of the institution's effectiveness. Lakewood also described the training its leadership attended at the Institute for Effectiveness in Higher Education (IEHE) on submitting data to the Integrated Postsecondary Education Data System (IPEDS) The training focused on ensuring accuracy in data collection and reporting. Lakewood did not explain how it intends to incorporate this training activity into its institutional effectiveness procedures.

Lakewood provided a document entitled "Policy and Procedure for Measuring Institutional Effectiveness at Lakewood University." This document outlines Lakewood's institutional effectiveness evaluation procedure as follows: "Establishment of Strategic Goals and Objectives, Assignment of Ownership, Communicating of Performance Measures and KPIs, Implementation of Initiatives, Data Collection and Reporting, Performance Review and Evaluation, Annual Reporting, and Continuous Improvement." While this document could serve as a guide to creating an institutional effectiveness plan, it does not demonstrate that the institution currently implements procedures to evaluate its effectiveness. The document does not identify key performance indicators and refers all descriptions of initiatives, initiative timelines, and initiative ownership to the strategic plan. The document does not describe the research practices the institution uses to evaluate effectiveness. Lakewood must provide a response to demonstrate that it is using the data it collects to assess and improve institutional effectiveness in accordance with its Policy and Procedure for Measuring Institutional Effectiveness at Lakewood University.

Standard II.B. Strategic Planning
The institution has a systematic process of planning for the achievement of goals that support its mission. The institution's planning process involves all areas of the institution's operations (e.g., admissions, academics, technology, etc.) in identifying strategic initiatives and goals by evaluating external and internal trends as they affect the future. At a minimum, the strategic plan addresses finances, academics, technology, admissions, marketing, personnel, and institutional sustainability. The strategic plan is reviewed and updated annually using established metrics designed to measure achievement of strategic planning goals and objectives. The plan helps institutions set priorities, manage resources, and set goals for future performance.

Lakewood provided a new strategic plan dated June 1, 2024. The updated plan identified four strategic goals and divided those goals up into achievable objectives with timelines, performance indicators, and personnel assignments. The plan did not include budget allocations for each objective. The plan identified the data collected to develop the plan. The data consisted of survey results from faculty, staff, board members, and students; feedback from interviews with stakeholders; and a "review of internal planning documents." While feedback from stakeholders is valuable, the lack of other metrics or data to inform the development of the strategic plan is not in compliance with DEAC's standard. To demonstrate compliance, Lakewood University must provide evidence of strategic planning that conforms to the requirements of the standard, including, but not limited to, the involvement of the university's constituencies and the use of data in the development of the plan. The plan must be sufficiently comprehensive to reach all aspects of the institution's operation and effectively anticipate future challenges. It must integrate with realistic resource planning and identify metrics to be used in measuring achievement of the plan's goals.

Standard IX.E. Collections
Collection procedures used by the institution or third parties reflect sound and ethical business practices. Tuition collection practices and procedures are fair, encourage students'

progress, and seek to retain their good will. Collection practices consider the rights and interests of the students and the institution.

That Chair's Report observed that the university does not have a formal collections policy and stated that there are no bad-debt write-offs. However, the SER stated that the University applies an "institutional grant," which is in effect a bad-debt write-off. Moreover, the 2023 internally prepared financial statements indicated over $200,000 of bad debt expense. The apparent contradictions were described in the response as mere "miscommunications". However, to demonstrate compliance, Lakewood University must show that it properly establishes and implements a collections policy and properly categorizes bad debts on its financial statements.

Standard V.C. Performance Disclosures
The institution routinely discloses on its website reliable, current, and accurate information on its performance, including student achievement, as determined by the institution.

The Chair's Report noted that Lakewood University did not provide an up-to-date student achievement disclosure on its website. In response, Lakewood University stated that the "public disclosure on the university website has been updated." However, it did not provide documentation to demonstrate that updated student achievement data has been disclosed on its website. To demonstrate compliance, Lakewood must provide such evidence.

Standard VIII.G. Enrollment Agreements
The institution's enrollment agreements/documents clearly identify the educational offering and assure that each applicant is fully informed of the rights, responsibilities, and obligations of both the student and the institution prior to applicant signature. The institution complies with the DEAC Enrollment Agreements Disclosures Checklist.
1. The institution requires that, prior to accepting the enrollment agreement, students affirm and accept the tuition refund policy and the rights, responsibilities, and obligations of both the student and the institution. The terms of the tuition refund policy are published in the institution's enrollment agreement, catalog, and website.
2. An enrollment agreement is not binding until it has been submitted by the student and accepted by the institution. A copy of the accepted enrollment agreement is made available to the student within 10 days of acceptance and maintained as a part of the student's record.
3. The institution complies with all applicable Truth in Lending Act (TILA) requirements, including those under Regulation Z, and state requirements for retail installment agreements.
4. All required state and Truth in Lending Act disclosures are included in the enrollment agreement. Requirements for type size, notice to buyer, and computation examples, as applicable, are observed.
5. If there is a separate payment contract, the contract is incorporated by reference in the enrollment agreement

and
Standard IX.D. Discounts
Discounted costs are permitted for well-defined groups for specific and bona fide Purposes.
Discounted costs must indicate the actual reduction in the costs that would otherwise be charged by the institution. Institutions that offer discounts must demonstrate that students are enrolled in non-discounted courses or programs for a reasonably substantial period of time during each calendar year. An institution offering discounts must calculate refunds based on discounted costs.
An institution that offers discounts must demonstrate that:
• All discounts or special offers identify the specific costs for a course or program.
• The presentation of discounts and special offers complies with DEAC's advertising and promotion standards.
• All discounts (excluding those offered to well-defined groups) or special offers designate a specific expiration date and do not extend beyond the expiration date

The Chair's Report observed that, while the university claims that it does not give discounts, its "grant" awards are indistinguishable from discounts. According to the Chair's Report Lakewood gives scholarships to cover any financial obligations that Federal Student Aid, VA benefits, or military benefits do not cover, and these funds are not applied following a formalized process to determine eligibility. In its response, Lakewood provided documentation of two grants it offers students with specific criteria and outlined its new formalized process for students to apply for those grants. Lakewood explained that previously, admissions representatives assessed student eligibility and requested their verbal permission to begin the verification process on their behalf. Under the new policy, students are notified of their potential eligibility for the grant and are given instructions on how to apply. Lakewood provided samples of completed grant applications. Lakewood University must provide a copy of the grant policy and procedures, provide and additional evidence of the implementation of the policy, redacting any student personal identifiable information.

The report also noted that Lakewood University applies different refund policies depending on whether students are receiving Title IV funding or military assistance. Per the Chair's Report, students receiving the financial benefits (Title IV, VA benefits, MyCAA, VRAPP) have a different refund policy that is applied to their payments based on the U.S. Department of Education Federal Student Aid requirements or Department of Veterans Affairs benefits. The refund policy was not properly disclosed, and no example was provided in the enrollment agreement, per DEAC policy. While Lakewood University provided policy documentation in its response, it must provide additional information to show that it implements a consistent process when administering its enrollment agreements, demonstrating that the terms and conditions within the agreements are in accordance with DEAC standards.

Standard IX.A. Financial Disclosures

All costs relative to the education provided by the institution are disclosed to the prospective student [in an enrollment agreement or similar contractual document] before enrollment. Costs must include tuition, educational services, textbooks, and instructional materials; any specific fees associated with enrollment, such as application and registration fees; and fees for required services such as student authentication, proctoring, technology access, and library services.

1. The costs for optional services, such as expedited shipment of materials, experiential portfolio assessment, or other special services, such as dissertation binding, are clearly disclosed to prospective students as not subject to refund after the five (5)-calendar-day student-right-to-cancel enrollment.

2. The institution's disclosure of its refund policy must include a sample refund calculation that describes the calculation methodology using clear and conspicuous language. Student acknowledgement of the refund policy is obtained and documented in the enrollment agreement or similar contractual document prior to enrollment

The Chair's Report stated that Lakewood University must provide evidence that it (1) consistently discloses all tuition costs and fees on its website, enrollment agreement, and catalog; (2) publishes all refund policies that it applies to students, and (3} publishes a consistent sample refund calculation that describes the calculation methodology using clear and conspicuous language for each refund policy published and applied. The response appears to have copied and pasted content from the response to Standard VIII.G., which touched on similar, but not entirely the same, issues. To comply with the standard, the University must demonstrate that it has put into effect the required actions set forth in the Chair's Report for this standard.

Academic Policies and Procedures:

Standard III.A. Degree Program Outcomes

Program outcomes are clearly defined, simply stated, and indicate the benefits for students who are reasonably capable of completing the educational offering. Course learning outcomes are linked to program outcomes as identified by the institution and are consistent with the curricula offered.

and

Standard III.B. Appropriate Program Outcomes

The program outcomes are measurable and reasonably attainable through distance education. Appropriate program outcomes clearly communicate the knowledge, skills, and abilities students will obtain upon completion of the educational offering. Program outcomes reflect the expected level of student achievement that promotes critical thinking, ethical reasoning, social responsibility, global citizenship, civic engagement, or lifelong learning, as applicable to the educational offerings.

The Chair's Report noted inconsistencies in the representation of the institution's program learning outcomes. The Chair's Report also found inconsistent representations of program lengths, which were variously referred to as clock hours and credit hours. The report also notes that Lakewood had no process for developing course outcomes.

In its response, Lakewood acknowledged confusion in these areas but attributed them to recent decisions to implement too many program outcomes. Lakewood indicated that it would develop outcomes assessment plans in the fourth quarter of 2024. Furthermore, Lakewood claims to have undertaken a recent audit of its program outcomes to ensure consistency but provided only a catalog and a series of Excel files as evidence of this activity. The purpose of the Excel files was unclear. For example, a spreadsheet called "clock hour" contains a map showing the lessons that relate to certain program outcomes and a "percentage" indicator which might refer to student exam grades. The functions of these files are not explained in the University's response. Lakewood must provide evidence that it clearly and consistently develops and publishes appropriate program outcomes and resubmit the Excel files with more detailed explanation as to how this exhibit supports compliance with the standard.

Standard III.D. 1. Advisory Council

1. The institution maintains an Advisory Council for each major group of programs or major subject matter disciplines it offers. The Advisory Council includes members not otherwise employed or contracted at the institution, consisting of practitioners and employers in the field for which the program prepares students. Advisory Councils
a. meet at least annually;
b. provide advice on the current level of skills, knowledge, and abilities individuals need for entry into the occupation; and
c. provide the institution with recommendations on the adequacy of educational program outcomes, curricula, and course materials.
2. The institution determines whether courses in a program require any prerequisites. The institution also determines whether courses are offered in a prescribed sequence to maximize student achievement of the program outcomes.

The Chair's Report notes that many of the university's advisory councils do not meet the requirement of the standard, which calls for members who are practitioners and employers in the field for which the program prepares students, including all of the advisory council members for the Information Technology program. The University responded that it had released the non-qualified members and put forth a description of new structures for the advisory councils, but it presented no evidence of implementation. The university provided a program review form and a list of planned meetings for the rest of 2024 through May 2025.

To demonstrate compliance, Lakewood must provide evidence that it implements Advisory Councils that meet at least annually; provide advice on the current level of skills, knowledge, and abilities students need for entry into the occupation; and demonstrate that they provide the University with recommendations to improve or enhance its educational offerings. This evidence must include a membership roster with affiliations for each Advisory Council member and minutes from the most recent meetings.

Standard III.I. Student Integrity and Academic Honesty
The institution publishes clear, specific policies related to student integrity and academic honesty. The institution affirms that the student who takes an assessment is the same person who enrolled in the program and that the examination results will reflect the student's own knowledge and competence in accordance with stated learning outcomes.
1. NON -DEGREE PROGRAMS
Institutions meet this requirement by using a secure login and passcode, administering proctored assessments, or by other means of secure technology.
2. DEGREE PROGRAMS
In addition to the requirements for non-degree programs above, degree- granting institutions meet this requirement by administering proctored assessments at intervals throughout the program of study and provide a clear rationale for placement of the proctored assessments within the program. Proctors use valid government-issued photo identification or other means to confirm student identity.

While the university claims to administer proctored exams with Proctorio, the Chair's Report noted that some faculty did not know that exams were proctored. In its response, the university stated that it had stopped using Proctorio due to technical problems and stated that it would be using a new solution, Talview. The Commission did not accept the response because it did not provide evidence of current compliance, only committing to compliance in the future. To demonstrate compliance, Lakewood University must provide evidence that it has implemented an appropriate proctoring solution.

Standard IV.E. Satisfactory Academic Progress
The institution implements and consistently applies a satisfactory academic progress policy and discloses this policy to students. Standards for measuring satisfactory academic progress include qualitative and quantitative standards used for evaluation of student progress. The institution takes appropriate action if students fail to meet the institution's minimum standards of progress. Students are informed of their academic progress and standing in the program at regular intervals throughout their enrollment.

The Chair's Report noted extensive inconsistencies and errors in the university's satisfactory academic progress policies stating, "The on-site evaluation team expressed concerns as to whether students can reasonably understand the satisfactory academic progress policy in its currently presented format, or the benefits and consequences of applying for Federal Student Aid." In response, Lakewood University promised to change the way academic progress is defined and communicated to students. It provided a link to its catalog. It also provided multiple sample communications to students that are relevant to satisfactory academic progress policies. This response is insufficient to alleviate the findings expressed in the Chair's Report.

To demonstrate compliance, Lakewood University must show that its SAP policy clearly discloses to students the qualitative and quantitative measures they must meet to maintain satisfactory progress based on their program.

Standard V.A. Student Achievement
The institution evaluates student achievement using indicators that it determines are appropriate relative to its mission and educational offerings. The institution evaluates student achievement by collecting data from outcomes assessment activities using direct and indirect measures. The institution maintains systematic and ongoing processes for assessing student learning and achievement, analyzes data, and documents that the results meet both internal and external benchmarks, including those comparable to courses or programs offered at peer DEAC-accredited institutions. The institution demonstrates and documents how the evaluation of student achievement drives quality improvement of educational offerings and support services.

The Chair's Report noted: "Although the University stated in the outcomes assessment plan that it provides systematic and strategic processes to improve teaching and learning at the institution, this plan has not been consistently updated since at least 2014."

Elements of the plan were outdated and no longer applicable. Faculty have access to student achievement data through the university's software, but the process for collecting such data is inadequate and inconsistently applied. The Chair's Report also noted that the student achievement disclosure information on the website is from 2021.

In its response, the University quoted the best practices of the International Accreditation Council for Business Education (IACBE), extolled the value of conferences that university administration attend, and the inspiration that these ideas and conferences will have going forward.

To demonstrate compliance, Lakewood University must demonstrate that it is implementing the student achievement assessment practices that are in compliance with DEAC's standards, which may incorporate ideas the administrators have recently received in training.

Standard VIII.F. Transfer Credits and Experiential Learning
The institution implements a fair and equitable transfer credit policy that is published in the catalog. The steps for requesting transfer credit are clear and disclose the documentation required for review. Students are able to appeal transfer credit decisions using published procedures. Transfer credit requests are not denied based solely on the source of accreditation of the credit-granting institution.

The Chair's Report required Lakewood University to demonstrate that it implements proper credit evaluation processes and to provide examples of such implementation. In its response, Lakewood University sent two screenshots that provided summaries of the conclusions reached during the evaluations. The institution's response did not provide insight into the processes that are followed when evaluating transfer credit or the criteria that are applied in making transfer of credit determinations and awards. To demonstrate compliance, Lakewood University must provide evidence that appropriate transfer credit evaluation processes are implemented.

Teach-Out Agreement Requirement. Institutions subject to a show cause directive must file a Teach-Out Agreement, in accordance with Section XXI.C. Part Two, Processes and Procedures, DEAC *Accreditation Handbook*. LU must submit a Teach-Out Agreement with an accredited institution that offers distance education programs that are similar to those of Lakewood University. This Teach-Out Agreement and list of currently enrolled students is due to DEAC to the attention of Jessica.lucey@deac.org by August 19, 2024.

Show Cause Remediation Period. The maximum Show Cause Remediation Period may not exceed the shorter of (a) two years, or (b) 150 percent of the length of the institution's longest program (unless the Commission extends the period for "good cause" as defined below). The burden of proof rests with the institution to demonstrate, within the Show Cause Remediation Period (as that may be extended for good cause shown) and consistent with the terms of the show cause directive, that it is meeting DEAC's accreditation standards. In no event will a Show Cause Remediation Period, including any good faith extensions which may be granted, exceed three years.

Status During Pendency of Show Cause Directive. An institution under a show cause directive will retain its accreditation status unless and until the Commission decides to deny or withdraw its accreditation, as applicable. Notice of the show cause directive will be published on DEAC's website and must be included by the institution in its description of its accreditation status, in accordance with the terms of Section XV.E. Processes and Procedures.

Substantive Changes. The Commission is deferring any further consideration of the institution's applications for substantive changes until such time as Lakewood University demonstrates corrective actions in response to the items of concern relative to this directive to show cause.

DEAC Notification Procedure. In accordance with its procedure for Notification and Information Sharing, *DEAC Accreditation Handbook*, Part Two, Processes and Procedures Section XV.E.) and 34 Code of Federal Regulations §602.26(b)(1), the Commission provides written notice to the U.S. Secretary of Education, the appropriate state licensing or authorizing agencies, and the appropriate accrediting organizations at the same time it notifies the institution of the decision, but no later than 30 days after the Commission makes a decision to place an institution on

Show Cause. DEAC will also provide notice of this decision to the public within one business day.

Disclosures to Students and Prospective Students. The Commission requires the institution that is subject to the show cause directive to disclose the action to all current and prospective students within seven business days of receipt of the written notice of the show cause order. Such notice must, at minimum, meet the requirements of Section XVI.A.2. Processes and Procedures. The university must provide DEAC with a copy of the disclosure.

Should you have any questions, please do not hesitate to contact me directly at Leah.matthews@deac.org or at 202.234.5100 x 101.

Sincerely,

Leah K. Matthews
Executive Director

cc: Dr. Marica Ditmyer, Vice Chair of the Accrediting Commission