



May 5, 2017

Dr. Paul Mittman
President/CEO
Southwest College of Naturopathic Medicine & Health Sciences
2140 E. Broadway Road
Tempe, AZ 85282

Dear President Mittman:

This letter serves as formal notification and official record of action taken concerning Southwest College of Naturopathic Medicine & Health Sciences by the Institutional Actions Council of the Higher Learning Commission at its meeting on May 1, 2017. The date of this action constitutes the effective date of the institution's new status with HLC.

Action with Interim Monitoring. IAC continued the accreditation of Southwest College of Naturopathic Medicine with the next Reaffirmation of Accreditation in 2026-27. In conjunction with this action, IAC required the following interim monitoring.

Focused Visit. Focused visit to be scheduled in Spring 2019 reporting on:

1. the budget allocation process showing evidence that resource allocations are not adversely affecting the educational process based on the audited financial statements for A/Y2016/17 and A/Y 2017/18
2. the role of the Board of Trustee oversight and decision making process concerning the financial condition of the institution including:
 - a. lack of the institution's ability to anticipate and plan for impending fluctuations in sources of revenue,
 - b. tying the Strategic Plan to specific projections of revenue sources especially when launching a new program,
 - c. a more realistic enrollment plan that accurately assesses the anticipated enrollment based on the current data and statistics presented by the AANMC and,
 - d. report the Outcome Assessment Plan comparing expected to actual outcomes.

Rationale: IAC determined that the institution should take into consideration in its budget projections, national data provided by its professional association showing a decline in enrollment nationally which results in wide swings in revenue projections versus actual revenue. Not accurately taking this information into consideration has led to the institution's unexpected shortfall of 46% revenue in its Pain Relief Center, a capital campaign experienced a 45% short fall from projection and "other income" a shortfall of 66%. The institution reacted by a reduction of 11 staff positions, decrease in marketing and contract services for the Pain Relief Center and the elimination of the food service contract and using cash it had accumulated over the past five years. A visiting team will be better able to review and evaluate the institution's financial progress.

Southwest College of Naturopathic Medicine & Health Sciences
Page 2

In two weeks, this action will be added to the *Institutional Status and Requirements (ISR) Report*, a resource for Accreditation Liaison Officers to review and manage information regarding the institution's accreditation relationship. Accreditation Liaison Officers may request the ISR Report on HLC's website at <http://www.hlcommission.org/isr-request>.

Information on notifying the public of this action is available at <http://www.hlcommission.org/HLC-Institutions/institutional-reporting-of-actions.html>.

If you have any questions about these documents after viewing them, please contact the institution's staff liaison Jeffrey Rosen. Your cooperation in this matter is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Gellman-Danley".

Barbara Gellman-Danley
President

CC: ALO