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Accreditor Ratchets Up Pressure on North Idaho College With ‘Show Cause’ Order

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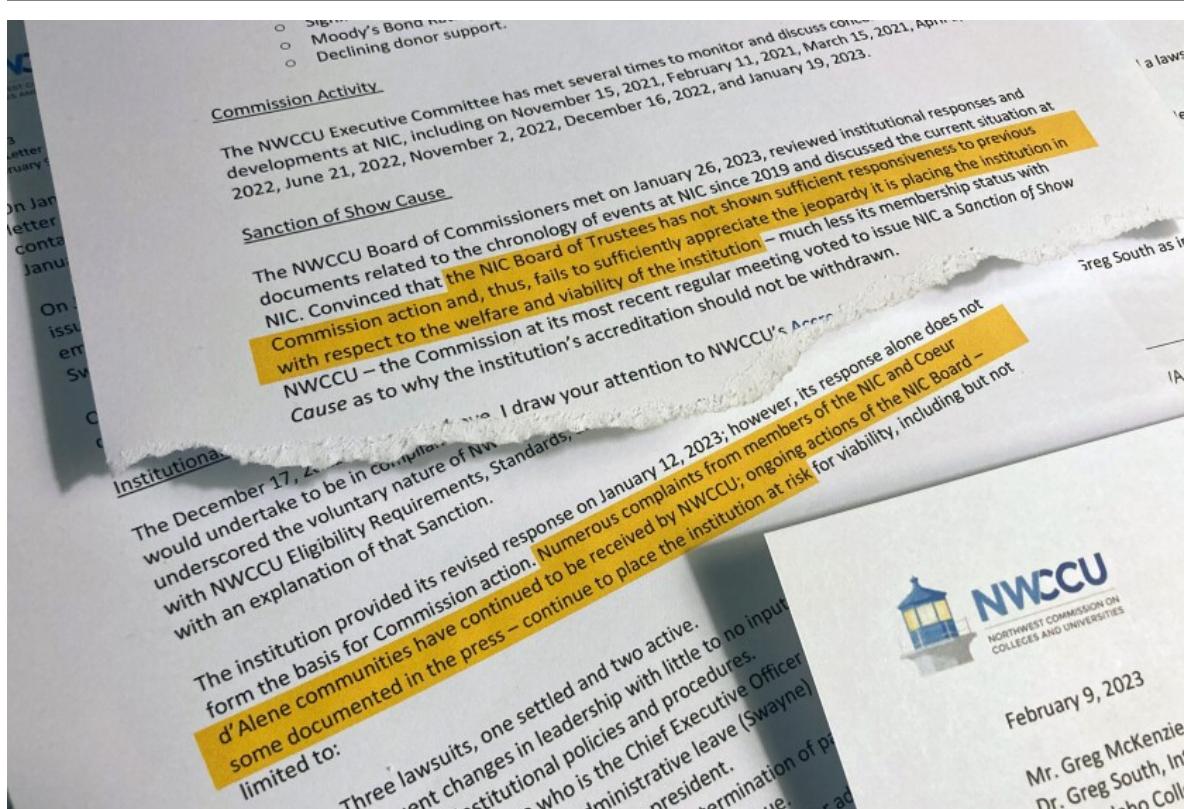


Illustration by Ron Coddington, The Chronicle

The accreditor of North Idaho College on Thursday [issued](#) a “show cause” sanction against the institution. Though the college remains accredited, the sanction serves as a final warning to North Idaho and its board to shape up or risk termination of its accreditation by

the Northwest Commission on Colleges and Universities.

North Idaho College can [appeal](#) NWCCU’s decision.

According to its letter to North Idaho, the accreditor’s commissioners met two weeks ago to deliberate on what action, if any, the accreditor would take against the institution in light of its [trustees’ recent chaotic behavior](#). Unpersuaded by the institution’s [responses](#), the accreditor moved to reprimand the college.

“Convinced that the NIC Board of Trustees has not shown sufficient responsiveness to previous Commission action and, thus, fails to sufficiently appreciate the jeopardy it is placing the institution in with respect to the welfare and viability of the institution — much less its membership status with NWCCU — the Commission at its most recent regular meeting voted to issue NIC a Sanction of Show Cause as to why the institution’s accreditation should not be withdrawn,” NWCCU wrote.

Were North Idaho to lose its accreditation, students enrolled at the college would be ineligible to participate in federal financial-aid programs to pay for their education — functionally a death sentence. Institutions typically rely on access to those funds to fully operate. Almost half of North Idaho’s 4,500 students receive some form of federal student aid, [according](#) to the college’s financial statement for fiscal year 2021.

North Idaho College, a community college not far from the border with Washington and Canada, is only the third U.S. public institution of higher education on the mainland since 2016 to have

received a show-cause sanction from its accreditor, according to a *Chronicle* analysis.

In justifying its show-cause finding against North Idaho, the Northwest accrediting commission recounted in its letter a litany of circumstances arising from actions taken by the college’s board which, the accreditor wrote, “continue to place the institution at risk for viability”:

- Two ongoing lawsuits filed against North Idaho College. One [filed](#) by Nick Swayne, who served as the institution’s regular president until he was [placed](#) on administrative leave in December. Another filed by a local taxpayer [accused](#) the college of violating Idaho’s open-meetings laws;
- “Frequent changes in leadership with little to no input from relevant stakeholders, without following institutional policies and procedures;”
- [Uncertainty](#) as to who the chief executive at North Idaho College is, with a regular president (Swayne) placed on administrative leave and an interim president appointed concurrent with the regular president;
- [Declining](#) enrollments, resulting in reduced tuition revenue;
- “Continued exodus of faculty, staff, and senior administrators;”
- “Decision with little to no input to expand athletics program and to change athletics conference with potential added costs;”
- Multiple no-confidence [resolutions](#) passed by organizing bodies representing North Idaho College students, faculty, and staff.

The college did not immediately respond to requests for comment. In an emailed statement, Sonny Ramaswamy, the commission’s president, said the accreditor was unable to provide any additional information beyond what was stated in its letter.

‘Risk of Significant Financial Distress’

The commission also expressed trepidation about how the board’s actions might affect its financial well-being. Though North Idaho has [operated in the black since](#) at least 2019, the accreditor’s letter took note of the college’s growing payroll expense for “two presidents, [an] interim provost, and [a] special assistant to the interim president, along with moving expenses, and other contracted charges and/or obligations.” Combined with significantly increased insurance costs, declining donor support, and the prospect of a credit-rating downgrade by Moody’s, the commission wrote, North Idaho College is at “risk of significant financial stress.”

North Idaho College will have until March 13 to submit its show-cause report to the commission and it “must provide evidence NIC has made all necessary improvements and meets NWCCU Standards for Accreditation, Eligibility Requirements, and Policies.” In April, a five-person peer-review team will visit North Idaho, where it will verify the information presented in North Idaho’s show-cause report and teach-out plan. A previously scheduled routine visit by the accreditor’s representatives will be delayed until the fall, pending the results of the April on-site assessment.

According to NWCCU’s Handbook of Accreditation, if North Idaho College fails to take any action to meaningfully correct the deficiencies identified by the accreditor, the commission will be forced to withdraw the institution’s accreditation come April 2024, two years after it issued its April 2022 warning-sanction letter.

“Whichever sanction is imposed, the Commission is required by federal law to withdraw accreditation, rather than to continue the institution under the same or a new sanction for another two-year period, unless clear progress has been made within two years,” the handbook reads.

That said, if by April 2024 the accreditor can find good cause that North Idaho has made “clear progress” toward remedying its noncompliant practices and behavior, the accreditor can grant the college a reprieve from accreditation loss, but only for up to two years of extension time.

The commission could also lift its “show cause” order against North Idaho before April 2024 (negating the need for any extension), assuming the college in the interim can fully restore the accreditor’s confidence in the institution’s operations. Colleges facing down the prospect of accreditation withdrawal have also turned to the courts in the past. However, institutions currently under an accreditor’s sanction are barred by federal regulations from switching to a new accreditor.

NWCCU’s sanction follows three years of board interference and dysfunction at North Idaho College. It may also be a harbinger of things to come, a scholar of higher education recently told *The Chronicle*, as standoffs take place between activist-minded boards at public colleges and the organizations that accredit those

institutions. The board's actions also drew the attention of the credit-ratings agency Moody's, which decided in late December to place the college's \$7.9 million in debt under review for a possible downgrade, which would make it more expensive for the college to borrow money. In its assessment, Moody's noted that the dysfunction on the college's board had resulted in the loss of its insurer. A downgrade could come soon, unless the college takes "meaningful steps taken to stabilize leadership and address accreditor's concerns," the notice stated.

"The board members' very public disputes with one another, college leadership, and external parties are negatively impacting NIC's brand, which in turn, could negatively impact student demand and operations," the analyst for Moody's wrote.

To date, Moody's has not downgraded its ratings for the college or its debt.