



March 13, 2023

Mr. Rajan Mathews  
President  
Alliance University  
2 Washington St.  
New York City, NY 10004

Dear Mr. Mathews:

### **Notification of Non-Compliance Action**

On behalf of the Middle States Commission on Higher Education, I am writing to inform you that on March 9, 2023, the Commission acted as follows:

To acknowledge receipt of the monitoring report. To note the follow-up visit by the Commission's representatives on January 12-13, 2023. To note further that the verification visit required by USDE guidelines as noted in the action of June 23, 2022, has been completed. To require the institution to show cause by April 14, 2023, to demonstrate why its accreditation should not be withdrawn because of insufficient evidence that the institution is in compliance with the Commission's standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements. To note that the institution remains accredited while on show cause. To note further that federal regulations limit the period during which an institution may be in non-compliance, which started on June 23, 2022. To require a show cause report, due April 14, 2023, documenting evidence that the institution has achieved and can sustain ongoing compliance with Standard VI (Planning, Resources, and Institutional Improvement) and Requirement of Affiliation 11. The show cause report must include evidence of: (1) sufficiency of resources to fulfill its mission and goals and to support its educational purposes and programs (Standard VI and Requirement of Affiliation 11); (2) documented financial resources, funding base, and plans for financial development, including those from any related entities (Requirement of Affiliation 11 and Related Entities Policy and Procedures); (3) sufficiency of planning and budgeting processes to fulfill its mission and goals, and to support its educational purposes and programs (Standard VI and Requirement of Affiliation 10); and (4) enrollment management planning linked to budget development (Standard VI). The show cause report must also provide evidence of (1) honesty and truthfulness in the representation of the institution's name and identity in all publications and communications, in all formats, for internal and external communities (Standard II and Public Disclosures Policies and Procedures); (2) strategies to address enrollment decline (Standard VI); (3) updated financial information relating to the institution's Heightened Cash Monitoring (HCM) status (Standard VI); and (4) adequate financial information that allows Commission representatives to assess the financial viability and management of the institution, including where appropriate, an accurate description of the flow of funding to or from the institution and the related entity (Related Entities Policy and Procedures). To

acknowledge receipt of the teach-out plan. To require that the institution complete and submit for approval, by April 14, 2023, an updated comprehensive, implementable teach-out plan with (a) signed copies of teach-out agreements, including any documentation supporting the agreements; (b) evidence of arrangements for the permanent disposition of student records so that students and alumni will be able to obtain accurate and complete transcripts now and in the future; and (c) evidence of the issuance of transcripts for any students wishing to transfer to another institution (Teach-Out Plans and Agreements Policy and Procedures). In accordance with Commission policy and federal regulations, the teach-out plan must provide for the equitable treatment of students to complete their education, if the Commission were to withdraw accreditation, and include any teach-out agreements that the institution has entered into or intends to enter into with another institution. To direct a show cause visit following submission of the report. The purpose of the show cause visit is to verify the information provided in the show cause report and the institution's ongoing and sustainable compliance with the Commission's standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements. To remind the institution of its obligation to make freely available to the Commission accurate, fair, and complete information on all aspects of the institution and its operations, including making additional information available to the Commission representatives when requested (Requirement of Affiliation 14 and Accreditation Review Cycle and Monitoring Policy and Procedures). To direct a prompt Commission liaison guidance visit to discuss the Commission's expectations. To note that the institution will be invited to present before the Commission when it meets to consider the institution's show cause report. The date of the next evaluation will be determined upon reaffirmation of accreditation.

This action is a non-compliance action. An explanation of this type of action is provided in the Commission's *Accreditation Actions Policy and Procedures*. If any of the information contained within the action appears to be factually incorrect, please send an email within 60 calendar days of the date of the action to [actions@msche.org](mailto:actions@msche.org).

Pursuant to the Commission's *Communication in the Accreditation Process Policy and Procedures*, this letter serves as the Commission's official notification of this action. This accreditation action will be publicly available on the Commission's website within 24 hours of informing the institution. In accordance with policy and federal regulation, the Commission provides notification of non-compliance actions to the United States Secretary of Education, the appropriate state or other licensing or authorizing agency, and the appropriate accrediting agencies at the same time it notifies the institution, but no later than 30 days after it takes the action.

Commission policy and procedures allow for the submission of an optional institutional statement, which will be posted on the Commission's website, in response to the above non-compliance action. Any institutional statement must be on institutional letterhead, signed by an authorized representative of the institution, and submitted as a PDF document. Because the institutional statement will be posted publicly, it is important that the institutional statement address the accreditation issue and avoid issues that are not relevant to the action. Hyperlinks are not permitted to be used. The submission of an optional institutional statement must be sent to [actions@msche.org](mailto:actions@msche.org) within 60 calendar days from the date of the action.

The institution is invited to make a presentation to the Commission when the Commission considers the institution's show cause report. The *Show Cause Appearance Before the Commission Prior to Withdrawal of Accreditation* describes the procedures. Please note that the institution is required to inform the Commission of its intent to appear before the Commission at least fourteen (14) calendar days prior to the Commission meeting at which the adverse action will be considered. Additional communications will be sent from the Senior Vice President for Legal Affairs and General Counsel relating to this process.

Pursuant to the Commission's *Public Disclosures Policy and Procedures* and federal regulation 34 CFR § 602.26(b), the institution is required to publicly disclose an accurate representation of its current accreditation phase and accreditation status with the Commission, which you will find on the institution's Statement of Accreditation Status (SAS) at the Commission's website. The institution is required to publicly disclose non-compliance and adverse actions. The Commission provides procedures and a sample statement for this disclosure in the *Public Disclosures Policy and Procedures* which must be implemented within seven calendar days of this notification where accreditation is referenced on the institution's website and wherever accreditation is referenced in publications.

It is critical for the institution to review and understand the Commission's policies and procedures which will explain the Commission's actions and the institution's accreditation status:

[Accreditation Actions Policy and Procedures](#)

[Accreditation Review Cycle and Monitoring Policy and Procedures](#)

[Communication in the Accreditation Process Policy and Procedures](#)

[Public Disclosures Policy and Procedures](#)

[Standards for Accreditation and Requirements of Affiliation](#)

[Teach-out Plans and Agreements Policy and Procedures](#)

For questions about the Commission's actions, please contact the institution's assigned Commission staff liaison. Questions from the public about the institution's accreditation phase or accreditation status can be directed to [communications@msche.org](mailto:communications@msche.org). For additional information, visit [www.msche.org](http://www.msche.org).

Sincerely,



Heather F. Perfetti, J.D., Ed.D.  
President