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## News

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### Accreditation Revoked

December 8, 2010

The Southern Association of Colleges and Schools has voted to revoke accreditation for Lambuth University, putting at risk the ability of its students to obtain federal aid and of the institution to negotiate a rescue deal.

Accreditation (and aid eligibility) will remain in place if Lambuth appeals the decision, and it has indicated that it will do so. But the action is a serious blow to Lambuth, a private institution affiliated with the United Methodist Church. While accreditors routinely place colleges on warning or probation (a status Lambuth already has), revoking recognition for established nonprofit colleges is rare.

The action against Lambuth comes at a time when the university is trying to seal a deal with a for-profit entity to create a partnership that would provide the institution with the funds it needs and that would allow the for-profit entity to work with an accredited institution to offer online courses. Skeptics of for-profit higher education have criticized accreditors for allowing the creation of such partnerships, a practice they call "accreditation shopping." The action by Southern, which would presumably make Lambuth much less attractive to would-be for-profit partners, follows [a move in June by the North Central Association of Colleges and Schools](#) to deny a "change of control" request that would have allowed the accreditation of nonprofit Dana College to investors who wanted to buy it -- if it had regional accreditation. After the transfer of accreditation was blocked, Dana shut down.

Lambuth has struggled financially for several years; the extent of the problems first became public in the summer of 2008, when the institution [revoked raises](#) that had been promised to faculty members. Since then, there have been periods in which payroll has not been met, talk of becoming a public institution, and discussions of selling Lambuth outright to for-profit investors. This fall, 456 students were enrolled at the university.

SACS said it acted in response to a series of violations of its standards related to institutional effectiveness, financial resources, qualifications of administrative and academic officers, financial stability, control of finances and ability to meet federal requirements for aid programs.

Lambuth [posted a statement on its website](#) vowing to appeal the decision.

In an interview, Bill Seymour, president of the university, said that some of the issues raised by SACS had already been dealt with. The university's financial state is "distressed," he said, but it has been making payroll lately.

Seymour declined to identify the investors that have been in talks for months with the university about creating a joint venture that would offer online programs. He said Lambuth has a "letter of commitment" from the investors, but no final deal. He said that the university would be responsible for the academic quality of the program, and would also get money that it could invest in improving its admissions and development operations -- key steps toward returning the institution to financial stability.

Asked if the investors assumed that Lambuth would have SACS recognition, Seymour said "absolutely they hoped we would have regional accreditation."

— **Scott Jaschik**

