

Northwest Institute Closes its Doors

School Reaches Teach-Out Agreement with Bastyr

By Editorial Staff

For many people, September marks not only the start of fall, but the beginning of the school year: a time to embark on a new path of learning, or to continue on the current path toward a degree and, with hard work, a successful career.

For the students and faculty of Northwest Institute of Acupuncture and Oriental Medicine (NIAOM), this September will bring with it bittersweet memories, for it will be the first time in more than two decades that there won't be a college for them to attend. This summer the Institute, one of the oldest and largest schools of acupuncture in the northwest United States, ceased operation of its acupuncture program. In doing so, NIAOM became the first accredited acupuncture college to close down since the creation of the Accreditation Commission for Acupuncture and Oriental Medicine.

"The college had to close due to severe financial problems," explained Dort Bigg, executive director of the Accreditation Commission for Acupuncture and Oriental Medicine. "This is the first time in the Commission's history where an accredited program was required to close due to fiscal problems, and we sincerely hope to never encounter a similar problem in the future."

In its heyday, NIAOM was one of the most successful acupuncture schools in the country. Founded in 1981, the school quickly gained a reputation for providing high-quality education to students, with a faculty that consisted of licensed acupuncturists, medical doctors and naturopaths. The school offered two fully-accredited master's programs: a three-year master of acupuncture program (MAc) and a more extensive, four-year master of traditional Chinese medicine program (MTCM), which included training in herbal medicine. Northwest later offered advanced certificate programs in Japanese acupuncture and pediatric acupuncture.

Northwest was also one of the first acupuncture schools to be accredited by the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM). It reached candidacy status in November 1987, and became the first school in Washington state to be accredited by ACAOM in April 1990. At that time, Northwest was one of only seven acupuncture schools in the nation to have earned ACAOM accreditation. It was re-accredited by ACAOM in May 1995 and November 2001.

But although the school appeared to prosper from the outside, financial difficulties began to undermine the school internally. As far back as 1984, according to information contained on its now-defunct website, Northwest suffered from "insufficient funding" that threatened to shut the school down or limit student services. Still, the school continued to survive, and at times thrive, in the acupuncture community.¹

The beginning of the end for Northwest can be traced to 1999, when a decision was made to move the school from its old location at Wallingford Plaza as part of an expansion program. At the time, Northwest officials had placed a bid on a new building, but an inspection revealed the building to be uninhabitable. In the meantime, Northwest's lease at Wallingford Plaza had expired.

Faced with the possibility of having no place in which to educate students, the school chose to relocate to Lake Union Center in the Fremont neighborhood of Seattle. The Lake Union facility more than doubled the size of Northwest's old campus, with more than a dozen treatment rooms, an expanded treatment clinic, a student lounge, a new library -- even a meditation room.

But the new location also came with a hefty price tag. Sources close to *Acupuncture Today* have stated that Northwest's monthly lease at Lake Union was approximately \$60,000 per month - far more than a school with a total enrollment of just over 200 students could bear.

As Northwest's financial foundation began to crumble, state and national agencies began to take notice - particularly the Accreditation Commission, which held off on re-accrediting the school for more than a year while gathering information.

"ACAOM had been aware of these problems for a few years, and actually deferred action on the reaccreditation status of the program both in 2000 and 2001 based in significant part on the college's financial instability," said Mr. Bigg. "The Commission later granted reaccreditation to the program at its Fall 2001 meeting for a three-year period based in significant part on the financial information it submitted to the Commission. Unfortunately, we subsequently learned that the financial statements submitted to both

the Commission and the U.S. Department of Education were grossly inaccurate and did not reflect the actual dire financial condition of the college."

The school became increasingly unable to manage the financial burdens that came with moving to such an expensive facility. On June 26, two days after Northwest graduated its last class of students, a school-wide meeting was held in which acting president Steve Corbin delivered the news to students and faculty. The school had exhausted its resources and simply didn't have enough money to keep functioning. Rather than risk holding a summer session of classes and being forced to close down in mid-session, Northwest would cease operating its acupuncture program, file for bankruptcy and begin liquidating its assets to pay off creditors.

Administrators Reach Agreement with Bastyr

Less than a week later, on July 2, a meeting was held between Northwest administrators and officials from Bastyr University, the Accreditation Commission, the U.S. Department of Education and the Washington State Higher Education Coordinating Board, to arrange for a teach-out for Northwest's students. Under the terms of ACAOM's Substantive Change Teach-Out Agreement, institutions with programs that have ceased operations may make arrangements to ensure that students can continue their training at another college. In an interview with *Acupuncture Today*, Terry Courtney, LAc, MPH, director of the acupuncture and Oriental medicine program at Bastyr, explained how the teach-out would affect students transferring from Northwest to other programs.

"Northwest approached Bastyr about the idea of providing a teach-out," Ms. Courtney said. "In higher education, in the rare circumstances when a school has to close, oftentimes teach-outs are offered to students who are in their final year of study to be able to complete the curriculum they need in order to get the diploma or degree from the school that's closing. We've worked very closely with the remaining NIAOM administration and board, ACAOM, the Department of Education and the Washington State Higher Education Board, to forge a teach-out plan."

Under the terms of the teach-out, Northwest students in their final year of studies will be able to continue their education at Bastyr. Students who complete their training through the teach-out will receive NIAOM degrees, either in acupuncture or traditional Chinese medicine. ACAOM has agreed to preserve NIAOM's accreditation status solely for the purposes of allowing its students to remain eligible for federal financial aid, and to be eligible for licensure upon graduation.

"Our goal is to have them all graduated by June 2003," Courtney noted.

To help manage the teach-out, Bastyr has retained the services of several former Northwest faculty, as well as the school's registrar. This allows students in need of NIAOM transcripts to obtain them easily. In addition, many of the classes required for graduation will be taught by Northwest instructors, and students will be able to take clinic rotations at many external sites previously operated by Northwest.

"Where this really impacts people is that people in their first or second year of training, for example, would need to transfer to another school," said Courtney. "They're able to transfer to any school of their choice." She added that many first- and second-year students have already been contacted by other schools, or are pursuing other options.

Once the students going through the teach-out have received their degrees, Northwest's accreditation with ACAOM will lapse and the school will cease to exist altogether.

"At this point, NIAOM has ceased operations, but they are still a corporate entity," Courtney offered. "That allows the teach-out to continue, because it allows for degree-granting status. Once the teach-out has been completed, that corporate entity will no longer be required to be in place."

Courtney also recognized the efforts of several Northwest administrators, and thanked them for helping coordinate the teach-out and bringing the school's program to an amicable end.

"At the board level, I want to acknowledge Cindy Micleu. I also want to acknowledge the efforts of their interim president, Steve Corbin; their external clinic coordinator, Susan Kaetz; their assistant academic dean, Erin Pearson; and their registrar, Peter Hanson. These five people have put in monumental time and hours to be really professionally accountable for assisting with bringing the program to a close. They went way above and beyond their job descriptions."



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