

Drowning in debt, Monrovia's Mt Sierra College closes for good



By Tyler Shaun Evains June 26, 2019

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In an email and without warning, Monrovia-based Mt Sierra College's president gave one day's notice of its closure on Monday.

In a letter distributed schoolwide, Brian Chilstrom, wrote: "The college, due to severe financial problems, cannot continue to hold classes and will be closing as of June 25th, 2019."

DeVry University is set to accept transferring students, offering waived registration fees and reduced tuition, according to a separately emailed letter sent to Mt Sierra students from Danielle Sperandio, DeVry's dean for its Ontario and Colton campuses.

Commencement ceremony canceled

Those students who managed to finish their coursework, mostly in information technology, business, media arts and design, will graduate as planned on Thursday, according to Jeffrey Sandwell, director of human resources and Mt Sierra spokesman. The ceremony, however, was canceled because of safety concerns.

"Some alumni were posting things online (insinuating) boycotts," Sandwell said. "There was no problem with (the ceremony financially), but we just couldn't have a protest going on" that would overshadow the graduation.

Deborah Howard, a Mt Sierra parent and Arcadia resident, was on campus Tuesday after receiving the Monday email. Howard and her husband have "been going crazy, contacting other schools to see what will be the best fit for our son," Ben Howard, who was aiming for a June 2020 graduation, Deborah Howard said in an email.

Students and parents "just had this look on their face that was just lost," she said.

Financial pressures

Sandwell said the school's unidentified Chinese owner group found operating the college financially untenable after having to pour \$500,000 monthly into the school to keep it afloat.

“The owner could only take on so much debt before it became impossible for them,” Sandwell said. They “found themselves unknowingly and unwittingly trapped in a \$12 million investment akin to a financially sinking ship,” Sandwell said in an email.

Those issues were amplified in February 2017, after the ownership changed hands. The school’s new owner was not informed the institution was in debt and its accreditation was in jeopardy until the deal closed, Sandwell said in an email. With a Chinese owner, trade issues were also a factor in the closure, he added.

“The Chinese and the U.S. having a trade issue going on is restricting funds (coming) from China to the U.S., and the owner couldn’t sustain that type of debt,” Sandwell said.

[The campus moved to its current location in 2016](#). The school had been on shaky ground with the Accrediting Commission of Career Schools and Colleges for seven years. In 2012, ACCSC placed Mt Sierra on “heightened monitoring” for falling below benchmark rates in three of its programs, according to a [June 6 letter from the commission](#).

Accreditation issues

Between 2013 and 2016, 200 to 350 students left Mt Sierra because of low GPAs, excessive absences and other academic standard violations — none of which was disclosed to the current owners, Sandwell wrote.

Mt Sierra was placed on warning in February 2018, for lack of student achievement, employment verification, institutional assessment and improvement planning; the warning continued through May this year for retention issues, per the letter.

The college’s owner brought in a new president and staff earlier this year to remedy poor student performance issues, Sandwell said.

Still, the school’s accreditation status escalated to probation this month; a subsequent review was scheduled for November, the Accrediting Commission of Career Schools and Colleges letter reads.

Once the school was placed on warning last year, it became harder to recruit, as many students lost faith in the school and left, Sandwell said. Today, Mt Sierra “had a little over 100 students,” Sandwell said.

Shrinking student population

“At one point, we had (about) 1,000 students, but when that warning happened, students were leaving and not being counseled properly,” he said.

The college had been looking to expand by adding a business program, working on introducing a masters program, hiring faculty to staff those programs and opening more campuses, Sandwell said.

“We were prepared to grow; looking forward to becoming a bigger footprint, (but) what parent would go ahead and send their child to a school that’s on probation? There was no time for us to grow and offset” the debt, he said.

Chilstrom is hoping Mt Sierra students will take DeVry up on its offer.

“The Ontario campus is approximately 20 miles east of the Mt Sierra campus,” Chilstrom said in his letter.

Mt Sierra reached out to DeVry just this week, Kimberly Johnson, senior executive adviser for DeVry, said.

The state’s Office of Student Assistance and Relief was on campus Wednesday to assist students and explain their rights when a school closes. One-on-one DeVry transfer meetings were held later in the day, and another will be from 3 to 6 p.m. Friday, June 28.

Community colleges, such as Pasadena City College and Citrus College, are also offering transfer help, school officials say.

What’s next for students

Paul Kim, a representative from the Office of Student Assistance and Relief, encouraged students at Wednesday’s presentation to find schools in which they can complete their bachelors degrees as planned instead of opting for an associates degree at a community college.

Students have the option to keep and transfer their credits, keeping their debt or apply for federal loan forgiveness and completely start over elsewhere, Sandwell said. The school is forgiving all third-party loans, he added.

Mt Sierra has 90 days to clear out the building, school officials say, but staff and administration may leave at any time within the three months, so students should get their transferable documents as soon as possible.

“It’s going to be a long journey before they can enroll somewhere else,” Deborah Howard said. Mt Sierra was “the only campus that’s geared toward gaming and media art locally,” she added.