



HIGHER LEARNING COMMISSION

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November 16, 2016

VIA CERTIFIED MAIL

Dr. Robert Pastoor, President
Saint Joseph's College
1498 S. College Ave
P.O. Box 869
Rensselaer, IN 47978

Dear President Pastoor:

This letter is formal notification of action taken by the Higher Learning Commission (“HLC” or “the Commission”) Board of Trustees (“the Board”) concerning Saint Joseph’s College (“the College” or “the institution”). During its meeting on November 3, 2016, the Board placed Saint Joseph’s College on Probation because the College is out of compliance with the Criteria for Accreditation and the Core Components identified in the Board’s findings as outlined below. This action is effective as of the date the action was taken. In taking this action, the Board considered materials from the most recent comprehensive evaluation, including but not limited to: the Assurance Argument the College submitted, the report from the comprehensive evaluation team, the report of the Institutional Actions Council Hearing Committee, and the institutional responses to these reports.

The College is required to submit an Assurance Filing no later than January 8, 2018, or at least six weeks prior to the comprehensive evaluation, providing evidence that the College has ameliorated the findings of non-compliance identified in this action that resulted in the imposition of Probation and the findings of Met with Concerns, and providing evidence that the College meets the Criteria for Accreditation, the Core Components, Federal Compliance Requirements, and the Assumed Practices. Included in this report should be evidence of the following:

- Assurance that each academic program has measurable learning outcomes;
- Articulation of the elements and process for comprehensive and systematic program review that can contribute to planning and budgeting, and documentation that the process has been implemented;
- Assessment of student learning (co-curricular and curricular, including general education), evaluation of operations, planning, and budgeting that are linked and coordinated, with the ability to cite examples of how this is occurring across the entire campus;
- Internal and external environmental scanning documenting that planning is based on a sound understanding of the College’s current capacity, including plans to anticipate the impact of possible fluctuations in resources, sources of revenue, investments, student enrollment, the state of the local and domestic economy, and state support;
- A fully developed implementation process by which the College will evaluate itself against a set of defined metrics so it can establish a baseline for determining where to allocate resources for improvement. Such baselines and metrics should be established across all key areas in the operation of the College;

- Successful implementation of the College's strategic plan;
- Successful implementation of the enrollment and retention plan;
- Successful completion of the monetization of the Waugh land;
- Achievement of financial stability including reduced reliance on line of credit and endowment draws;
- Successful implementation of a process for considering and executing expense reductions; and
- Successful implementation of a plan for increasing donations by all relevant categories of College stakeholders.

The College will host a comprehensive evaluation no later than March 2018, to determine whether or not the College has ameliorated the findings of non-compliance that led to the imposition of Probation and whether or not the College meets the Criteria for Accreditation, and to make a recommendation about whether or not to remove Probation or take other action.

The Board will review the documents associated with the evaluation at its November 2018 meeting to determine whether or not the College has ameliorated the findings of non-compliance and has demonstrated that it is now in compliance with all Criteria for Accreditation and thus whether or not Probation shall be removed, or if the College has not ameliorated the findings of non-compliance and demonstrated compliance with the Criteria for Accreditation, whether or not accreditation should be withdrawn.

The Board based its action to impose Probation upon the following findings made with regard to the College:

The College is out of compliance with Criterion Five, Core Component 5.A, "the institution's resource base supports its current educational programs and its plans for maintaining and strengthening their quality in the future," for the following reasons:

- Student enrollment continues to decline, with the College reporting in its Annual Institutional Update 1,163 students in 2014, 1,104 in 2015 and 1,013 in 2016;
- During 2013-2015, cash and cash equivalents fluctuated from \$4.6 to \$4.8 to \$4.7 million (this cash position has been supported by a short-term line of credit, donations, and as of December 2015 a loan from the endowment);
- Loans from the endowment (\$2 million) and monies from the short-term line of credit, which is now substantially committed, are being used to meet short-term liabilities and expenses;
- Institutional losses have resulted in approximately a \$10 million decrease in net assets between FY 2014 and FY 2015;
- Operational losses increased from \$1.2 million in FY 2015 to a projected loss of slightly under \$4 million for FY 2016; the College anticipates there will be a deficit in operating losses for the next five years ranging from \$3,833,314 in FY 2018 to \$4,440,328 in FY 2019 to \$4,220,905 in FY 2021;
- The deferred maintenance backlog continues to increase;
- Budget reductions have not been implemented;
- New programs that might boost enrollment remain in the review stage; and
- While the College has established short- and long-term goals to balance the budget over the next 5 years, hired consultants to assist in both strategic planning and

fundraising strategies, initiated a recapitalization plan, pursued endowment releases (including a \$1.3 million release achieved on August 25, 2016), and hired an Enrollment Management Specialist, many of these plans have not yet been fully implemented, and the institution has not yet demonstrated that such steps will be effective in providing the resource base to support its programs, as required by this Core Component.

The College meets Criterion Three, Core Component 3.A, “the institution’s degree programs are appropriate to higher education,” but with concerns because student learning outcomes were not measurable across the curriculum.

The College meets Criterion Four, Core Component 4.A, “the institution demonstrates responsibility for the quality of its educational programs,” but with concerns because the College has not articulated the elements for a comprehensive and systematic program review process linked to planning and budgeting processes, and was unable to provide evidence of implementation of a systematic program review process integrated with other institutional systems.

The College meets Criterion Four, Core Component 4.B, “the institution demonstrates a commitment to educational achievement and improvement through ongoing assessment of student learning,” but with concerns because program learning goals have not been identified across the curriculum, and as a result there was absence of a campus-wide assessment process using measurable program learning outcomes to improve student learning.

The College meets Criterion Five, Core Component 5.C, “the institution engages in systematic and integrated planning,” but with concerns because a college-wide strategic plan is not yet complete and there is no evidence that assessment of student learning, evaluation of operations, and budgeting are linked to planning.

The College meets Criterion Five, Core Component 5.D, “the institution works systematically to improve its performance,” but with concerns because there was a lack of documentation of systematic evaluation of institutional performance and improvement in its operations and overall performance in a manner that allows the College to improve its institutional effectiveness, capabilities, and sustainability; the new President has begun working to improve institutional systems, but years of deficit spending and lack of oversight will take considerable effort to overcome, and there is no evidence yet that the plans underway will be successful in fostering at the College a culture of institutional improvement.

The Board action resulted in changes to the affiliation of the College. These changes are reflected on the Institutional Status and Requirements Report. Some of the information on that document, such as the dates of the last and next comprehensive evaluation visits, will be posted to the HLC website.

At this time, the Commission will reassign the College from its liaison Dr. Barbara Johnson, Vice President for Accreditation Relations, to Dr. Anthea Sweeney, Vice President for Accreditation Relations. Please be assured that Dr. Johnson will work with Dr. Sweeney to create a smooth transition.

Information about the sanction is provided to members of the public and to other constituents in several ways. Commission Policy INST.G.10.010, Management of Commission Information, anticipates that the Commission release action letters related to the imposition of a sanction to members of the public. The Commission will do so by posting this action letter on the Commission website along with the Statement of Affiliation Status and Organizational Profile. Also, the enclosed Public Disclosure Notice will be posted to the Commission's website not more than 24 hours after you receive this letter.

Commission policy INST.E.10.020, Probation, subsection Disclosure of Probation Actions, requires that an institution inform its constituencies, including Board members, administrators, faculty, staff, students, prospective students, and any other constituencies about the sanction and how to contact the Commission for further information. The policy also requires that an institution on Probation disclose this status whenever it refers to its Commission accreditation. The Commission will monitor these disclosures to ensure they are accurate and in keeping with Commission policy. I ask that you copy Dr. Sweeney on emails or other communications with campus constituents regarding the sanction as required and provide her with a link to information on your website and samples of related disclosures.

In addition, Commission policy COMM.A.10.010, Commission Public Notices and Statements, requires that the Commission prepare a summary of actions to be sent to appropriate state and federal agencies and accrediting associations, and published on its website. The summary will include the Commission Board action regarding the College. The Commission will also simultaneously inform the U.S. Department of Education of the sanction by copy of this letter.

On behalf of the Board of Trustees, I thank you and your associates for your cooperation. If you have questions about any of the information in this letter, please contact Dr. Sweeney.

Sincerely,



Barbara Gellman-Danley
President

Enclosure: Public Disclosure Notice

cc: Chair of the Board of Trustees, Saint Joseph's College
Chad Pulver, Vice President for Academic Affairs, Saint Joseph's College
Anthea Sweeney, Vice President for Accreditation Relations, Higher Learning Commission
Barbara Johnson, Vice President for Accreditation Relations, Higher Learning Commission
Karen Peterson Solinski, Executive Vice President for Legal and Governmental Affairs,
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Department of Education