



March 8, 2017

VIA CERTIFIED MAIL

Rev. Neil Blair, President  
Saint Paul School of Theology  
13720 Roe Avenue  
Leawood, KS 66224

Dear President Blair:

This letter is formal notification of action taken by the Higher Learning Commission (“HLC” or “the Commission”) Board of Trustees (“the Board”) concerning Saint Paul School of Theology (“the School” or “the institution”). During its meeting on February 23, 2017, the Board placed Saint Paul School of Theology on Probation because the School 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 School submitted, the report from the comprehensive evaluation team, the report of the Institutional Actions Council (“IAC”) Hearing Committee, and the institutional responses to these reports.

The School is required to submit an Assurance Filing no later than July 1, 2018, or at least eight weeks prior to the comprehensive evaluation, providing evidence that the School 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 School meets the Criteria for Accreditation, the Core Components, Federal Compliance Requirements, and the Assumed Practices. Included in this report should be the following:

- Evidence that the School has completed program reviews for 50% or more of its academic programs, the schedule for the remaining programs, and a master calendar for the next full cycle of reviews. (Core Component 4.A)
- Documentation of the program review process that includes the use of assessment data to inform the reviews, and a summary of changes and improvements that have resulted from the reviews. (Core Component 4.A)
- A compilation of measures of institutional effectiveness. (Core Component 4.A)
- Membership roster, including indication of leadership roles, for the assessment committee. (Core Component 4.B)
- Evidence of explicit and direct linkages between the institution’s budget and strategic planning processes that emphasize the resources dedicated for assessment. (Core Component 4.B)
- Evaluation of the progress made in implementing the academic assessment plan through the end of the 2017-2018 academic year. The evaluation will summarize progress made in

evaluating evidence of student learning with respect to the program learning outcomes, including examples of data, the analysis and interpretation of those data, and use of those data to improve programs and teaching practices. (Core Component 4.B)

- Evidence provided through assessment and faculty committee minutes that the assessment discussion has moved to a fully articulated and engaged process resulting in measurable changes in specific areas of student learning. (Core Component 4.B)
- Documentation of a process for and implementation of co-curricular assessment by the beginning of the 2018-2019 academic year. (Core Component 4.B)
- Documentation of a responsible multi-year operating budget that includes recognition of all known expenses and evidence of working toward financial equilibrium, improved sustainability of resources, generated reserves, developed fundraising strategies and implementation, and protected endowment purchasing power. (Core Component 5.A)
- A map of how the strategic planning objectives are funded with the multi-year operating budget to increase the quality of curricular and co-curricular programs, improve assessment of student learning, increase recruitment and retention, and enhance student services. (Core Component 5.A)
- A description of the process for evaluating progress on the strategic plan that includes the indicators that provide quantifiable data for each strategic priority, and the reporting process that includes routine reviews by the Board of Trustees and executive team. (Core Component 5.A)
- Documentation of enrollment and financial management data by enrollment term during the Probation period. (Core Component 5.A)
- Documentation that the Board of Trustees remains focused on the school's strategic priorities, the president exhibits leadership and shared understanding of expectations, the executive team is regularly welcomed into Board conversations, the faculty, staff, and students are engaged in institutional governance, and the Board operates with cohesiveness and transparency. (Core Component 5.B)
- Documentation that the Board of Trustees recognizes its fiduciary responsibilities and focuses on forward-looking issues with appropriate oversight. (Core Component 5.B)
- A description of how institutional planning policies and processes have improved in concert with accountability, cohesiveness, candor, communication, commitment, transparency, and oversight. (Core Component 5.C)
- Documentation of how planning processes work together and are integrated with strategic decision-making. (Core Component 5.C)
- Documentation of a developed and implemented systematic approach to strategic planning, improved communication between program units, and employment of data-driven strategic management. (Core Component 5.D)

The Board also required that the School file an Interim Report on the following topics no later than May 1, 2017, and include further information on them as appropriate in its Assurance Filing:

- Explication of the scope of operations for the Doctor of Ministry program in South Korea, including any plans for continuation and/or expansion of the program;
- A Description of the nature of relationships among Saint Paul School of Theology and all partner institutions for the delivery of the Doctor of Ministry program to students in South Korea (i.e., curricular agreements, rental or lease agreements, and so on);

- Copies of all memoranda and contracts between Saint Paul School of Theology and all partner institutions for the delivery of the Doctor of Ministry program to students in Korea; and
- The establishment of a human-subjects research committee, including policies related to the functioning of the committee and a current membership list.

The School will host a comprehensive evaluation no later than September 2018 to determine whether the School has ameliorated the findings of non-compliance that led to the imposition of Probation, whether the findings of Met with Concerns have been remedied, and whether the School meets the Criteria for Accreditation, and to make a recommendation about whether to remove Probation or take other action.

The Board will review the documents associated with the evaluation at its February 2019 meeting to determine whether the School has ameliorated the findings of non-compliance and has demonstrated that it is now in compliance with all Criteria for Accreditation and thus whether Probation shall be removed, or if the School has not ameliorated the findings of noncompliance and demonstrated compliance with the Criteria for Accreditation, whether accreditation should be withdrawn.

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

The School 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:

- The institution is tuition dependent, has steadily been losing students (new enrollments and retention of matriculating students), and is not able to sustain its operating budgets in an environment of declining enrollment;
- The institution is relying too heavily upon an endowment draw to balance its budget; for example, its projected draw for fiscal year 2017 is 7.34 percent. The Institutional Actions Council (IAC) Hearing Committee noted that an endowment draw of 7 percent plus inflation of 2 percent, administration cost of 1 percent, and a real growth factor of 1 percent requires an endowment portfolio to yield 11 percent to remain whole, which is highly unlikely in today’s investment market climate;
- The institution’s plans to increase its tuition discount rate are not sustainable; for example, the School intends to increase its tuition discount rate from 42.5 percent in fiscal year 2016 to 50 percent by fiscal year 2018 and to 75 percent by fiscal year 2020 for its master’s and certificate programs;
- The IAC Hearing Committee did not receive the institution’s approved budget for fiscal year 2017 or the 2016 audited financial report. Once received, these documents confirmed poor financial stewardship and struggles to create a positive operating budget; and
- The institution was unable to provide clear evidence that the operating budget is linked to the strategic plan.

The School is out of compliance with Criterion Five, Core Component 5.B, “the institution’s governance and administrative structures promote effective leadership and support

collaborative processes that enable the institution to fulfill its mission,” for the following reasons:

- There is no evidence that the institution’s board exercises adequate financial control or that trustees have a clear understanding of the institution’s current reality (e.g., declining enrollment, dependence on the endowment, cash-basis budget);
- There is no evidence that the Board understands the institution’s continual crisis in enrollment decline, operating budget, and financial performance, as documented by its history of monitoring;
- Evidence of the board’s passive oversight has also led to a high turnover of staff and administrators; over the last five years, three chief academic officers, three chief financial officers, three chief development officers, and four presidents;
- The institution provided no evidence that the culture, values, and governance of the School are linked together by the allocation of resources;
- There is no reliable evidence that the School has an ongoing systematic program evaluation process that incorporates the assessment of student learning and the operating budget; and
- There is insufficient evidence to show correction of the concerns raised by the Evaluation Team regarding the protection of human subjects in research.

The School is out of compliance with Criterion Five, Core Component 5.C, “the institution engages in systematic and integrated planning,” for the following reasons:

- The School could not demonstrate that it allocates its resources in alignment with its mission and priorities. The fiscal year 2017 operating budget totals \$5 million with a mere \$10,000, or 0.2 percent of the budget, allocated to strategic planning purposes;
- The institution has not adequately faced the declining trend in seminary enrollment and lack of a strategic enrollment plan, reduction in net tuition revenue, deteriorating financial position, and the high rate of staff and administrative turnover;
- There is a lack of evidence to show that course, program, and institutional outcomes are systematically linked to planning and budgeting processes. Because planning processes are not interlinked, the institution has struggled to set priorities and assess and adjust its direction in response to a changing environment; and
- The School was not able to demonstrate through any evidentiary claim that it possesses a clear understanding of its current capacity.

The School is out of compliance with Criterion Five, Core Component 5.D, “the institution works systematically to improve its performance,” for the following reasons:

- The School was not able to produce evidence that it possesses a comprehensive plan to evaluate its institutional operations;
- The School lacks a systematic approach to strategic planning;
- The School lacks the connections among strategic planning, program review, assessment of student learning, and budgeting; and
- The communication between academic and administrative units in the School concerning its ongoing findings over time is wholly lacking and, as a result, causes decision-making more often to be reactive than proactive.

The School meets Criterion Two, Core Component 2.B, “the institution presents itself clearly and completely to its students and to the public with regard to its programs, requirements, faculty and staff, costs to students, control, and accreditation relationships,” but with concerns, because of its program in South Korea. In particular, when the program was started in 2007, there was an agreement with the School’s HLC Staff Liaison (Dr. Mary Breslin) that the institution would offer only one cohort of students. Since that time, the institution decided to run additional cohorts and is now seeking to admit a fourth cohort. As reported by the Evaluation Team, the program has not been reviewed formally by the Commission and therefore, the institution is at risk of being out of compliance with Commission expectations about the nature of the program and its relationship with the Korean institution.

The School meets Criterion Two, Core Component 2.E, “the institution’s policies and procedures call for responsible acquisition, discovery and application of knowledge by its faculty, students and staff,” but with concerns, because it does not possess a fully functioning Institutional Review Board (or an adequate and effective substitute institutionally), putting both graduate students and human subjects used in research projects at risk. Further, the institution has not documented a mandated research course for students on the ethical and responsible acquisition of knowledge through common practices of human subjects research.

The School meets Criterion Four, Core Component 4.A, “the institution demonstrates responsibility for the quality of its educational programs,” but with concerns because the School offered no evidence that it possesses a well-defined program review process nor a regular schedule for the review of programs. The institution confuses program review with student learning outcomes assessment.

The School 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 for the following reasons:

- The School continues to struggle with the development and measurement of student learning outcomes. In particular, the institution lacks stable leadership in student learning assessment;
- There is no explicit linkage among assessment, budgeting, and strategic planning;
- The School has not provided evidence that it has mapped course outcomes to program outcomes in measurable terms; and
- The School confuses program review with student learning outcomes assessment.

The Board action resulted in changes to the affiliation of the School. 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 School from its liaison Vice President Jeffrey Rosen to Vice President Mary Vanis. Please be assured that Dr. Rosen will work with Dr. Vanis 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 will 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. Vanis 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 School. 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. Vanis.

Sincerely,



Barbara Gellman-Danley  
President

Enclosure: Public Disclosure Notice

cc: Chair of the Board of Trustees, Saint Paul School of Theology  
Jayme Lawlor, Director of Institutional Effectiveness and Research, Saint Paul School of Theology  
Jacqueline Johnson, Executive Director, Kansas Board of Regents  
Evaluation team chair  
Institutional Actions Council Hearing Committee chair  
Jeffrey Rosen, Vice President for Accreditation Relations and Director of the Open Pathway, Higher Learning Commission  
Mary Vanis, Vice President for Accreditation Relations, Higher Learning Commission  
Karen Peterson Solinski, Executive Vice President for Legal and Governmental Affairs, Higher Learning Commission  
Herman Bounds, Accreditation and State Liaison, Office of Postsecondary Education, U.S. Department of Education