



June 30, 2020

BY CERTIFIED MAIL

Michael Ross, President  
Ohio Valley University  
1 Campus View Dr.  
Vienna, WV 26105

Dear President Ross:

This letter is formal notification of action taken by the Higher Learning Commission (HLC) Board of Trustees (“the Board”) concerning Ohio Valley University (“the Institution”). This action is effective as of the date the Board acted, June 25, 2020. In taking this action, the Board considered materials from the most recent Focused Visit, including, but not limited to: the Focused Visit Report the Institution submitted, the report from the Focused Visit team, the report of the Institutional Actions Council (IAC) Hearing Committee, and the institutional responses to these reports.

**Summary of the Action:** The Institution has been placed on Probation because it is out of compliance with the Criteria for Accreditation. The Institution meets Core Component 4.C with concerns. The Institution does not meet Core Component 5.A. The Institution is required to host a comprehensive evaluation no later than December 2021 to determine whether the institution has ameliorated the findings that led to the imposition of the sanction.

**Institutional Disclosure Obligation:** HLC policy<sup>1</sup> 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 HLC for further information. The policy also requires that an Institution on sanction disclose this status whenever it refers to its HLC accreditation. HLC will monitor these disclosures to ensure they are accurate and in keeping with HLC policy. The Institution must submit drafts of its planned disclosures to these various audiences to its HLC Staff Liaison in advance of transmission and provide the staff liaison with a link to relevant information on its website. At a minimum, an institution must: i) provide a copy of this Action Letter to its governing board, administration, and faculty, ii) provide a copy of the enclosed Public Disclosure Notice to its currently enrolled students, and iii) prominently display the Mark of Affiliation where accreditation status is described on its website. Once disclosures have been made, the Institution must submit copies of its disclosure documents as a single .pdf file to

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<sup>1</sup> INST.E.20.010, Probation. The HLC Board of Trustees adopted on second reading certain changes to this policy at its June meeting, which will be published in July 2020 and are effective immediately.. The Institution should ensure that it adheres to policy effective June 25, 2020.

[disclosures@hlcommission.org](mailto:disclosures@hlcommission.org) no later than seven (7) business days following receipt of this Action Letter. HLC will retain this information as part of the Institution's record.

**Provisional Plan:** HLC policy<sup>2</sup> also requires that the Institution file a Provisional Plan with HLC for review and approval by the Institutional Actions Council according to HLC's substantive change procedures. This Provisional Plan must comport with HLC's requirements for Provisional Plans.<sup>3</sup> The Institution should submit its Provisional Plan no later than 90 calendar days from the date of this letter.

### **Board Rationale**

The Board based its action on the following findings made with regard to the Institution as well as the entire record before the Board:

Ohio Valley University meets, but with concerns, Criterion Four, Core Component 4.C, "the institution demonstrates a commitment to educational improvement through ongoing attention to retention, persistence, and completion rates in its degree and certificate programs," for the following reasons:

- The Institution continues to report enrollment declines as related to retention. The Institution showed a 55% overall retention rate fall-to-fall in 2019 after averaging a 70% overall retention rate fall-to-fall for five of the preceding six years. In addition, from fall 2019 to spring 2020 undergraduate enrollment declined by 17%.
- An interim report submitted to HLC in spring 2019 planned for an increase in the retention rate by fall 2019, but the Institution failed to meet the goals outlined in the plan.
- The Institution launched an Enrollment Management Council in October 2019, one month prior to the peer review team visit, and although the Council devised several action steps, it lacked any awareness of retention and completion goals at the time of the visit.
- Total head count for spring 2020 was 233 students. The Institution projects an increase in enrollment without sufficient evidence of strategies that can lead to improvement.
- The Institution continues to place heavy emphasis on enrolling student athletes with 226 slots available on athletic rosters. Current goals indicate a projected 25-45 returning non-athlete students and 60 new non-athlete students. Given the current pandemic and questions about athletic training and competition, the Institution's reliance on a high percentage of student athletes is cause for concern.
- While the Institution has adopted a plan and undertaken several initiatives in recent

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<sup>3</sup> FDCR.B.10.010, Commission Approval of Institutional Teach-Out Arrangements. The HLC Board of Trustees adopted on second reading certain changes to this policy at its June 2020 meeting, which will be published in July 2020 and are effective immediately. The Institution should ensure that it adheres to policy effective June 25, 2020.

months, it has not succeeded in halting the decline of its retention, persistence, and completion rates.

The Institution does not meet 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 ongoing enrollment decline has negatively impacted the financial health of the Institution. Given the current pandemic, there is no strong evidence that the Institution will be able to meet its projected goal of 350 students for fall 2020. A review of U.S. Department of Education Composite Scores for the last four years range from -0.3 to -1.0. The Institution's scores have been “below the zone” for the last eleven years. The Institution projects a significant increase in the score for 2019-2020 due to the transfer of a large asset, but this may not occur until the conclusion of the fiscal year.
- The Institution's net assets for 2019 were -\$4.7 million. Historically, there has been no single year with positive net assets between 2014 and 2019. The Institution's unrestricted net assets are currently at -\$9.4 million.
- The 2018 and 2019 financial audit statements indicate the independent auditors' concern about the Institution’s ability to continue as a going concern due to the combination of operating losses and operations using cash flows instead of generating cash flows.
- The Institution entered into four bond agreements in 2007 for a total of \$17,780,000. The balance had declined to \$14,841,000 by 2018. In fall 2019, it made only one of its four scheduled payments by paying the interest on the series A bonds, but paid no interest on the series B, C or D bonds, and paid no principal on the series D bonds.
- The Institution entered into a one-year forbearance agreement in March 2020 in order to restructure the bond debt. While this action provides time to continue negotiations, it does not guarantee a more favorable result after one year. A large portion of the Institution's annual revenue will go to servicing debt with \$1.1 million of interest.
- Negotiations are also underway regarding a bond issue of which the Institution is the guarantor of a \$5.2 million bond on behalf of the ACE Educational Foundation.
- While the Institution has a coal lease on its books with an approximate value of \$15 million, there is no definitive timeline for when the reserves would be mined, and recent projections indicate activity will not begin until 2026, at the earliest.
- In May 2020, the Institution entered into an agreement in principle for the conveyance of coal reserves. The donation could provide for approximately 750,000,000 tons of mineable coal with an estimated appraised value of approximately \$2.5 million as determined by the West Virginia State Tax Department. Documentation indicated that part of this gift may be exchanged in order to be released from the bond guarantee for the ACE Educational Foundation.
- While the coal reserves provide a revenue opportunity, it is not projected that revenue will be produced within the next five years to support the Institution’s weak

financial condition.

The Board of Trustees of the Higher Learning Commission has determined based on the preceding findings and the evidence in the record that the Institution has demonstrated that it is not in compliance with the Criteria for Accreditation and should therefore be placed on Probation.

### **Next Steps in the HLC Review Process**

**Assurance Filing:** The Board required that the Institution submit an Assurance Filing no later than October 1, 2021, or at least eight weeks prior to the comprehensive evaluation, providing evidence that the Institution has ameliorated the findings of noncompliance identified in this action that resulted in the imposition of Probation and the findings of Met with Concerns, and providing evidence that the Institution meets the Criteria for Accreditation, Federal Compliance Requirements, and any cited Assumed Practices (if applicable).

**Comprehensive Evaluation:** The Institution will host a comprehensive evaluation no later than December 2021 to enable a team of peer reviewers to determine whether the Institution has ameliorated the findings of noncompliance that led to the imposition of Probation and whether the Institution otherwise meets the Criteria for Accreditation, and to make a recommendation about whether the Board should remove Probation or take other action.

**Board Review:** The Board will review the documents associated with the evaluation at its June 2022 meeting to determine whether Probation shall be removed, or if the Institution has not provided sufficient evidence of amelioration as noted above, whether other action should be taken, up to and including withdrawal of accreditation.

### **HLC Disclosure Obligations**

The Board action resulted in changes that will be reflected in the Institution's Statement of Accreditation Status as well as the Institutional Status and Requirements Report. The Statement of Accreditation Status, including the dates of the last and next comprehensive evaluation visits, will be posted to the HLC website.

In accordance with HLC policy,<sup>4</sup> information about this action is provided to members of the public and to other constituents in several ways. This Action Letter and the enclosed Public Disclosure Notice will be posted to HLC's website not more than one business day after this letter is sent to the Institution. Additionally, a summary of Board actions will be sent to appropriate state and federal agencies and accrediting associations. This summary also will be published on HLC's website. The summary will include this HLC action regarding the Institution.

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<sup>4</sup> INST.G.10.010, Management of Commission Information; COMM.A.10.010, Commission Public Notices and Statements

On behalf of the Board of Trustees, thank you in advance for your cooperation. If you have questions about any of the information in this letter, please contact your HLC Staff Liaison, Dr. Karen Solomon.

Sincerely,

A handwritten signature in black ink that reads "Barbara Gellman-Danley". The signature is written in a cursive style with a large initial 'B'.

Barbara Gellman-Danley  
President

Enc: Public Disclosure Notice

Cc: Chair of the Board of Trustees, Ohio Valley University  
C. Joy Jones, Vice President of Institutional Initiatives, Ohio Valley University  
Evaluation Team Chair  
IAC Hearing Committee Chair  
Karen Solomon, Vice President of Accreditation Relations and Director, Standard Pathway,  
Higher Learning Commission  
Anthea Sweeney, Vice President of Legal and Regulatory Affairs, Higher Learning  
Commission  
Corley Dennison, Vice Chancellor for Academic Affairs, West Virginia Higher Education  
Policy Commission  
Herman Bounds, Director, Accreditation Group, Office of Postsecondary Education, U.S.  
Department of Education