



November 15, 2022

BY CERTIFIED MAIL

Dr. LaTonia Collins Smith, President  
Harris-Stowe State University  
3026 Laclede Avenue  
St. Louis, MO 63103

Dear President Collins Smith:

This letter is formal notification of action taken by the Higher Learning Commission (HLC) Board of Trustees (“the Board”) concerning Harris-Stowe State University (“the Institution”). This action is effective as of the date the Board acted, November 3, 2022. In taking this action, the Board considered materials from the most recent comprehensive evaluation for Reaffirmation, including, but not limited to: the Assurance Filing the Institution 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.

**Summary of the Action:** The Institution has been placed on Notice because it is at risk of being out of compliance with the Criteria for Accreditation. The Institution meets Core Components 2.A, 4.A, 4.B, 4.C, and 5.B with concerns. The Institution is required to host a Notice Visit no later than April 2024 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 Accreditation Status 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 [www.hlcommission.org/upload](http://www.hlcommission.org/upload) (by selecting “Information about Institutional

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<sup>1</sup> INST.E.10.010, Notice.

Disclosures”) 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.

**Substantive Change:** HLC policy<sup>2</sup> requires that an institution placed on Notice be subject to additional requirements for substantive change during the Notice period and for three (3) years following the removal of Notice.

**Notification Program:** HLC policy<sup>3</sup> states that an institution placed on notice is ineligible for the Notification Program for Additional Locations until it has completed ten (10) years in good standing as required for access.

### **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:

Harris-Stowe State University meets, but with concerns, Criterion Two, Core Component 2.A, “the institution establishes and follows policies and processes to ensure fair and ethical behavior on the part of its governing board, administration, faculty and staff,” for the following reasons:

- The Institution gave repeated assurances that the FY 2021 financial audit would be completed by September 30, 2022, and the deadline for its response to the Institutional Actions Council (IAC) Hearing report was extended accordingly. However, the Institution failed to provide a completed audit by that date. Instead, the final financial audit for FY 2021 was submitted to HLC on October 31, 2022, which is 16 months after the Institution’s fiscal year end.
- The Management Discussion and Analysis section of the FY2021 audit noted that the Institution’s net assets were significantly higher than the previous year’s financial audit; however, this was primarily due to a forgiveness of debt on the residence halls.
- The compliance section of the Single Audit for FY 2021, which was also submitted to HLC on October 31, 2022, indicated 23 findings of the Institution’s noncompliance with federal programs. A schedule of findings for the current year and updates regarding what actions were taken to address prior year findings found multiple findings of repeated noncompliance.
- The Institution has made significant improvements in the Finance office, including appointment of a new Chief Financial Officer with extensive experience, appointment of a new comptroller, and refinement of oversight processes. Moreover, a necessary separation of duties has been achieved due to the increase in staffing levels. However, the impact of these improvements on the Institution’s financial functions in practice remains to be seen.

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<sup>2</sup> INST.F.20.040, Substantive Change.

<sup>3</sup> INST.E.10.010, Notice.

The Institution meets, but with concerns, Criterion Four, Core Component 4.A, “the institution ensures the quality of its educational offerings,” for the following reasons:

- The program review framework has been restructured based on a revised program review policy (pending faculty approval). The cycle will require program reviews on a rotating basis no less frequently than every five years.
- The Institution’s program review template and process document demonstrate its continued efforts to refine the program review reports and quality assurance evaluations.
- The Institution has implemented an electronic data and tracking system to monitor and address whether program reviews are conducted as scheduled and whether all elements are complete.
- The process is in its initial phase and there is little evidence of a linkage between program review data and budgeting.

The Institution meets, but with concerns, Criterion Four, Core Component 4.B, “the institution engages in ongoing assessment of student learning as part of its commitment to the educational outcomes of its students,” for the following reasons:

- At the time of the HLC evaluation, processes for student learning outcomes assessment did not demonstrate practices of regular and systematic data collection, analysis, and interpretation that engaged faculty and informed actions to improve student learning.
- The Institution has developed a plan, guided by oversight of the new administrative team, to strengthen the culture of assessment.
- The assessment plans are ambitious and would require effective leadership, personnel and technical capacity, and meaningful engagement. Assessment findings will need to be used to inform institutional planning and continuous improvement.

The Institution meets, but with concerns, Criterion Four, Core Component 4.C, “the institution pursues educational improvement through goals and strategies that improve retention, persistence and completion rates in its degree and certificate programs,” for the following reasons:

- The Institution has developed key metrics for student success outcomes for four categories of students (full-time first-time “traditional” students, first-time transfers, adult learners, stop-outs) and goals for these categories have been embedded within the strategic plan.
- Resource allocations for the Institution’s 2022-2023 programmatic efforts targeting the four categories of students have been planned.
- However, the implementation of the plans are in the early stages and will require ongoing review within the next few years to ensure consistency is maintained regardless of any future leadership changes

The Institution meets, but with concerns, Criterion Five, Core Component 5.B, “the institution’s resource base supports its educational offerings and its plans for maintaining and strengthening their quality in the future,” for the following reasons:

- The FY 2021 audit confirmed that \$28.6 million of the Institution's loan debt was forgiven in April 2021 by the U.S. Department of Education as part of the Higher Education Emergency Relief Fund (HEERF), along with payments to the Energy Savings Notes Payable, resulting in a significant change to its long-term liabilities from approximately \$29.1 million to approximately \$202,500.
- Due to the loan forgiveness and an investment in capital assets (net of related debt), the Institution's net position rose from \$16.8 million to \$47.8 million.
- The FY 2021 compliance Single Audit documented multiple material weaknesses and significant deficiencies related to the TRIO Cluster, Research and Development Cluster, HEERF, and Title III programs.
- Recent personnel additions will provide the necessary separation of duties to avoid future findings of significant deficiencies or material weaknesses in internal controls.
- Though personnel have been hired, institutional representatives indicated it is possible that the FY 2022 Single Audit could have repeat findings due to the timing of the recent hires later in the fiscal year.
- Reporting processes have been modified so the Institution's Board will be informed about the status of all future audits on a timely basis.

The Board of Trustees of the Higher Learning Commission determined based on the preceding findings and the evidence in the record that the Institution is at risk of being out of compliance with the Criteria for Accreditation and should therefore be placed on Notice.

### Next Steps in the HLC Review Process

**Notice Report:** The Board required that The Institution submit a Notice Report no later than February 1, 2024, or at least eight weeks prior to the Notice Visit, providing evidence that the Institution is no longer at risk for non-compliance with the Criteria for Accreditation and that it has ameliorated the issues that led to the Notice sanction.

**Notice Visit:** The Institution will host a Notice Visit no later than April 2024 to determine whether The Institution has ameliorated the findings that led to the imposition of Notice and to make a recommendation about whether to remove Notice or take other action.

**Board Review:** The Board will review the documents associated with the evaluation at its October/November 2024 meeting to determine whether the Institution has ameliorated the findings of Met with Concerns and is no longer at risk of noncompliance with the Criteria for Accreditation and thus whether Notice shall be removed, or if the Institution has not ameliorated the findings, or is no longer in compliance with the Criteria for Accreditation, whether other action should be taken under HLC policy, up to and including withdrawal of accreditation.

**Comprehensive Evaluation:** The Institution has been placed on the Standard Pathway with its next comprehensive evaluation for reaffirmation of accreditation in 2026-27.

### 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.

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, Karen J. Solomon.

Sincerely,



Barbara Gellman-Danley  
President

Enc: Public Disclosure Notice

Cc: Chair of the Board of Trustees, Harris-Stowe State University  
Edward Hill, Jr., Interim Provost for Academic Affairs, Harris-Stowe State University  
Evaluation Team Chair  
IAC Hearing Committee Chair  
Karen J. Solomon, Vice President and Chief Transformation Officer, Higher Learning  
Commission  
Anthea Sweeney, Vice President of Legal and Regulatory Affairs, Higher Learning  
Commission  
Laura Vedenhaupt, Director of Academic Affairs, Missouri Department of Higher Education  
Herman Bounds, Director, Accreditation Group, Office of Postsecondary Education, U.S.  
Department of Education

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<sup>4</sup> COMM.A.10.010, Notice of Accreditation Actions, HLC Public Notices and Public Statements