



November 8, 2021

BY CERTIFIED MAIL

Dr. Scott Sherwood, President  
Nazarene Bible College  
1465 Kelly Johnson Blvd.  
Colorado Springs, CO 80920

Dear President Sherwood:

This letter is formal notification of action taken by the Higher Learning Commission (HLC) Board of Trustees (“the Board”) concerning Nazarene Bible College (“the Institution”). This action is effective as of the date the Board acted, November 4, 2021. In taking this action, the Board considered materials from the most recent comprehensive evaluation, 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 Probation because it is out of compliance with the Criteria for Accreditation. The Institution meets Core Components 1.C, 4.C, and 5.B with concerns. The Institution does not meet Core Component 5.C. The Institution is required to host a comprehensive evaluation no later than April 2023 to determine whether it 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 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.

**Provisional Plan:** HLC policy 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

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<sup>1</sup> INST.E.20.010, Probation.

procedures. This Provisional Plan must comport with HLC's requirements for Provisional Plans.<sup>2</sup> The institution must submit its Provisional Plan within 90 calendar days of this letter.

**Substantive Change:** HLC policy<sup>3</sup> states that while an institution may file one or more applications for substantive change during the probation period, such applications will be subject to strict scrutiny and are likely to be denied or deferred until after the probationary period. HLC policy also requires that an institution placed on Probation be subject to additional requirements for substantive change during the probationary period and for three (3) years following the removal of Probation.<sup>4</sup>

**Notification Program:** HLC policy<sup>5</sup> states that an institution placed on Probation is ineligible to apply 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:

The Institution meets, but with concerns, Criterion One, Core Component 1.C, "the institution provides opportunities for civic engagement in a diverse, multicultural society and globally connected world, as appropriate within its mission and for the constituencies it serves," for the following reasons:

- Although institutional representatives expressed a genuine concern for helping all students succeed, Nazarene has not provided evidence of efforts to identify and address the specific needs of persons from particular ethnic, racial and socio-economic backgrounds, or other marginalized groups.
- Although the Institution's 2020-2023 Strategic Plan identifies a priority to "ensure a respectful learning environment for persons of diverse backgrounds," and although the Institution prepares students to evangelize and minister globally, Nazarene reports only episodic training and guest speaker programs addressing diversity, equity, and inclusion. It does not appear that the Institution makes a concerted effort or offers an organized approach to developing or supporting a climate of respect and understanding for persons from a range of diverse backgrounds, ideas, and perspectives.

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:

- Although there are several simultaneous initiatives to address retention, there is no overarching, guiding plan through which the Institution could assess the efficacy of such initiatives individually or collectively. As a result, the Institution is unable to identify issues or make improvements that would be warranted by the analysis of such data.

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<sup>2</sup> FDCR.B.10.010, Commission Approval of Institutional Teach-Out Arrangements.

<sup>3</sup> INST.E.20.010, Probation.

<sup>4</sup> INST.F.20.040, Substantive Change.

<sup>5</sup> INST.E.20.010, Probation.

- The Institution indicates that it will develop a plan related to retention, persistence, and completion, including the assessment of those initiatives, but it will take time to implement such a plan and evaluate its effectiveness.

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:

- Nazarene operates in a lean financial mode and has taken recent actions to restructure the administration, institute a hiring freeze, outsource several key functions, and rely on part-time staff to support some operations. Yet significant concerns persist regarding the effectiveness and sustainability of these steps, as well as the sufficiency of the Institution’s resource base to support its future operations.
- Although the Institution receives some funding from the General Assembly of the Church of the Nazarene, which defrays expenses related to the Ministry Preparation Program (MPP), the MPP is not self-supporting and concerns persist about the dramatic enrollment trend of students steering away from profitable degree programs and toward the non-degree MPP, which is offered at a loss.
- Although the Institution does not have a deficit, it has not demonstrated a business model that is independent of one-time cash infusions, such as the sale of its campus, the availability of relief funds related to the COVID-19 pandemic, or unpredictable but serendipitous market gains on investments.
- Although the Institution’s newly inaugurated president’s top priorities are fundraising and increasing enrollment in degree programs, these priorities will require sufficient time to operationalize and longer-term analysis is needed to evaluate the return on these efforts.
- The Institution projects \$500,000 in net income for 2020-21; however, this projection is overly reliant on several one-time only sources: The Higher Education Emergency Relief Fund (HEERF) and Payment Protection Program (PPP) payments cataloged as revenues, and the 21% return on investments used to support operations.
- Although the Institution’s newly inaugurated president has initiated a goal and made progress in securing “presidential partners” donating \$1,000 each, fund raising is not a part of the Institution’s historical identity and time is needed to ascertain a realistic yield and the longer-term sustainability of such efforts.

The Institution does not meet Criterion Five, Core Component 5.C, “the institution engages in systematic and integrated planning and improvement,” for the following reasons:

- Although the Institution recognizes that a gap exists between projected tuition and actual tuition realized, actual tuition and fees have regularly been significantly lower than projected since 2018-19 because Nazarene remains unable to adequately project its enrollment numbers, which have been in steady decline since 2015.
- Although the Institution’s newly inaugurated president is personally active in recruiting new students, Nazarene must overcome a long-standing approach in which it passively enrolled the students who came to it rather than proactively creating a plan to actively identify and recruit students.
- While the Institution’s administration has spent a significant amount of time building relationships with regional superintendents within the Nazarene Church with the hope

of increasing enrollments, a concrete plan does not exist to address the decline in enrollments and revenues.

- Although the Institution has known since at least 2017 that it has an unsustainable business model regarding enrollment trends in its two programs, no sustained planning or remediations have taken place to correct these trends.
- While the Institution has taken steps to reduce operating expenses by selling its campus and moving its instructional programs online, which enabled it to fund its defined benefit pension plan, it does not appear to be planning for the demographic shifts and evolving educational needs of its primary source of future students.
- Although the Institution has a strategic plan, it is operational in nature and does not anticipate or address the changing future landscape.
- Although the Institution's 2020-2023 Strategic Plan notes that certain assessment activities are being completed, there is little evidence of any measurable outcomes that point to the success of these activities.

The Board of Trustees of the Higher Learning Commission has determined based on the preceding findings and 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 February 1, 2023, 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 and Federal Compliance Requirements.

**Comprehensive Evaluation:** The Institution will host a comprehensive evaluation no later than April 2023 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 November 2023 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>6</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, Dr. Andrew Lootens-White.

Sincerely,



Barbara Gellman-Danley  
President

Enc: Public Disclosure Notice

Cc: Chair of the Board of Trustees, Nazarene Bible College  
Alan Lyke, Vice President for Academic Affairs, Nazarene Bible College  
Evaluation Team Chair  
IAC Hearing Committee Chair  
Andrew Lootens-White, Vice President of Accreditation Relations, Higher Learning  
Commission  
Anthea Sweeney, Vice President of Legal and Regulatory Affairs, Higher Learning Commission  
Angie Paccione, Executive Director, Colorado Department of Higher Education  
Herman Bounds, Director, Accreditation Group, Office of Postsecondary Education, U.S.  
Department of Education

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<sup>6</sup> COMM.A.10.010, Notice of Accreditation Actions, HLC Public Notices and Public Statements