



October 2, 2017

VIA CERTIFIED MAIL

Dr. Elizabeth Burns, President
Marygrove Collage
8425 W. McNichols Rd.
Detroit, MI 48221

Dear President Burns:

This letter is formal notification of action taken by the Higher Learning Commission (“HLC” or “the Commission”) Board of Trustees (“the Board”) concerning Marygrove College (“the College”). During its teleconference on September 25, 2017, the Board issued a Show-Cause Order to the College. A Show-Cause Order is a procedural order that requires an institution to present its case as to why accreditation should not be withdrawn. The Order is effective as of the date the action was taken. In issuing the Order, the Board considered materials regarding the College, including the report of the visiting team, the report of the Institutional Actions Council (“IAC” Hearing Committee, and the College’s responses to these reports.

The College is required to present its case for accreditation by means of a Show-Cause Report due January 1, 2018, or at least eight weeks prior to the Show-Cause Evaluation Visit, providing substantial evidence of ameliorating each item of concern identified by the Board and documenting that the institution meets each of the Criteria for Accreditation, including each Core Component, each Assumed Practice, and all Federal Compliance requirements.

The College is required to host a Show-Cause Evaluation Visit no later than February 2018 that will validate the contents of the Show-Cause Report and determine whether the concerns of the Board identified in this action have been fully ameliorated and the Criteria for Accreditation including the Core Components, and all Assumed Practices and Federal Compliance requirements, are met by the College.

The Board will review the documents associated with the evaluation at its June 2018 meeting to determine whether the College has ameliorated the concerns of the Board and has demonstrated that it is in compliance with all Criteria for Accreditation and thus, whether the Show-Cause Order can be removed, or if the College has not ameliorated concerns of the Board and demonstrated compliance with the Criteria for Accreditation, whether accreditation should be withdrawn.

The Board based its action to issue a Show-Cause Order on the following findings made with regard to the College that indicate it is out of compliance with several Core Components as required to maintain accreditation, and there is substantial doubt about the College’s ability to meet other Core Components that are identified in this action as Met with Concerns:

The College is out of compliance with Criterion One, Core Component 1.A, “the institution’s mission is broadly understood within the institution and guides its operations,” for the following reasons:

- The College's current approved mission, which describes a liberal arts college significantly focused on undergraduate education, is no longer guiding its current operations, and the impact of changes planned at the College on the mission is not broadly understood, as required by this Core Component:
 - The stated intention of the College to terminate undergraduate programs and to offer only graduate programs is inconsistent with its current mission;
 - Planning and budget allocations do not currently align with or support the current mission;
 - Faculty and staff were not involved in planning for the decision to terminate undergraduate programming, and the role of these groups in the College after the transition to graduate-only education is not clear;
 - The College administration lacks clear and consistent information about the enrollment profile of future graduate students after this transition; and
 - The process to develop a new mission has not been initiated, and a new mission will require prior approval from HLC before it can be initiated.
- While the College in its response to the IAC Hearing Committee has expressed its intention to update its mission and planning documents, such updates should have been a precursor to any decision to terminate undergraduate education, are occurring belatedly, and remain without appropriate constituent involvement.

The College is out of compliance with Criterion One, Core Component 1.B, "the mission is articulated publicly," for the following reasons:

- With the decision to terminate undergraduate programs, the mission no longer accurately reflects the publicly communicated, intended nature of the College;
- The process to develop a new mission defining its new scope and intended student population has not been initiated; and
- While the College in its response to the IAC Hearing Committee has expressed its intention to update its mission and planning documents, such updates should have been a precursor to any decision to terminate undergraduate education so the public mission statement always accurately described the institution and its future plans.

The College is out of compliance with 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," for the following reasons:

- The College has not been fully transparent with its constituents as required by this Core Component:
 - The College's mission has not been revised to reflect the change in the intended academic focus of the College after the termination of undergraduate programs;
 - The College administration has not disclosed publicly:
 - the process for revising the mission, including seeking comment from College constituencies and the public;
 - the proposed establishment of a non-profit conservancy to hold the land currently owned by the College and the impact of that conservancy on campus operations;
 - the requirement that the above changes have approval from HLC before they can be implemented; and
 - The College administration did not have a complete and transparent discussion with, and seek input from, key internal and external stakeholders

related to initial plans for the termination of undergraduate programs, the establishment of the non-profit conservancy, and the impact on programs, faculty and staff, and the impact of accreditation on these significant changes.

The College is out of compliance with Criterion Two, Core Component 2.C, “the governing board of the institution is sufficiently autonomous to make decisions in the best interest of the institution and to assure its integrity,” for the following reasons:

- With the proposed transfer of the property, buildings, and debt of the College to the non-profit conservancy, the Board of the College will no longer be able to demonstrate sufficient autonomy as required by this Core Component:
 - The conservancy will have a separate but inter-locking Board that will be chaired by the President of the College and over which the external foundation will have significant control;
 - The College is relying on this same foundation to provide substantial external funding until the College becomes financially able to sustain its operations, and it is not clear when it will be able to do so; and
 - The College’s Board is likely to make decisions that are not reasonable or relevant to the interests of internal and external constituencies because of the significant influence of this external foundation on the sustainability of the College.

The College is out of compliance with Criterion Three, Core Component 3.C, “the institution has the faculty and staff needed for effective, high-quality programs and student services,” for the following reasons:

- The College has not demonstrated that it has the faculty and staff for effective, high-quality programs:
 - There was insufficient planning relative to reductions in support staff and other administrative positions associated with the termination of undergraduate programs to ensure that there would be sufficient staff to support high-quality programs, nor is it clear which staff will remain in the new configuration and the impact on student support services;
 - There are only seven full-time faculty identified to teach in the graduate programs after the termination of the undergraduate faculty, and this number is not sufficient to support the teaching and related expectations of faculty including mentoring students, developing and implementing program review, conducting assessment of student learning, and working on student retention and completion;
 - The College currently provides limited professional development opportunities to ensure that faculty remain current in their discipline, and faculty development has not been appropriately outlined after the termination of the undergraduate program; and
 - The College currently has not outlined in appropriate documents or implemented a process for determining the appropriateness of alternative faculty qualifications for those faculty members who lack a terminal degree.

The College is out of compliance with Criterion Three, Core Component 3.E, “the institution fulfills the claims it makes for an enriched educational environment,” for the following reason:

- The College has not provided sufficient opportunities (currently or after the proposed termination of undergraduate programs) for graduate students to supplement their educational experience.

The College is out of compliance with 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 College has not demonstrated sufficient commitment to improvement of retention, persistence and completion:
 - The College’s leaders were unable to provide information about current persistence, retention, or completion rates of graduate students by program or cumulatively, or how they would maintain graduate enrollment and ensure persistence of graduate students after the termination of undergraduate programs;
 - The College has not outlined a process for identifying how benchmarks and goals will be developed, collected, or utilized to impact enrollment, retention, persistence, and completion of graduate students; and
 - The future direction, composition and work of the enrollment and persistence committee, which currently focuses on undergraduate students and has conducted the work related to retention and completion, was not outlined by the College administration.

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:

- The College currently lacks a sufficient financial resource base to support its operations, as required by this Core Component:
 - The College has had a pattern of operating losses and enrollment declines for the past few years;
 - The College failed to attract sufficient undergraduate enrollment to sustain its undergraduate programs and made the decision in summer 2017 to terminate those programs;
 - The College’s technological infrastructure is inadequate, and there was no plan at the time of the Institutional Actions Council (IAC) Hearing to address the poor quality of technology provided by an external vendor;
 - Resource allocation decisions do not align with current institutional priorities, and there is little evidence of any revised goals regarding the College’s organization, resources, and opportunities; and
 - The process for budgeting and monitoring expenses is not well-developed, resulting in budgets provided to the IAC Hearing Committee that were not well-developed and in which budget assumptions were unclear.
- The College has not demonstrated it has a sufficient financial resource base after the termination of its undergraduate programs to support its plans for the future, as required by this Core Component:
 - A lack of sufficient planning relative to reductions of support staff and other administrative positions, particularly as it relates to retention, could result in the loss of skilled personnel;
 - There is not a clear plan regarding what full-time and part-time faculty will be needed for graduate programs, and the number of full-time graduate faculty being proposed is insufficient to support the classroom and non-classroom activities of faculty;
 - The College is reliant on the Kresge Foundation to provide needed financial support to cover continued operating losses in the near term, but the amount of financial support to which the Foundation is willing to commit is unclear;
 - The College will be transferring its campus property to the conservancy, and,

while this transfer will also end its current debt, it will also lose an important asset;

- The College continues to estimate high enrollment projections for graduate students to support the revenues needed to offset expenses and debts, with no clear evidence the projections can be achieved, and it lacks contingency plans if the anticipated tuition revenue is less than expected; and
- The College's financial systems and management do not provide evidence of a flexible and robust system that will be able to accommodate the rapid, forthcoming changes.

The College 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:

- The College's governance and administrative structures have not demonstrated effective and collaborative leadership, as required by this Core Component:
 - Faculty and staff were not involved in the decision to terminate undergraduate education and to focus on graduate education;
 - The College leadership has not understood the significance of the proposed changes for the College's mission and has not outlined a collaborative process to engage the campus community in revising the mission or planning for the future; and
 - There has not been a fully transparent collaboration with the College community related to the non-profit conservancy and the impact of its creation on the College or the campus community.

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

- The College has not engaged in a robust systematic and integrated planning process, as required by this Core Component:
 - The sustainability of the College has been hampered by unrealized enrollment projections, with actual enrollment steadily declining for the past several years;
 - There was no evidence that anticipated demographic changes, including declining high school populations, or other factors were appropriately considered in institutional planning;
 - Resource allocation does not align with the mission or priorities; and
 - The recent realignment of academic programs and financial resources, resulting in a decision to terminate the undergraduate programs as a result of the College's inability to meet enrollment projections, was precipitated by a lack of integrated and systematic planning that considered multiple external factors; and
- While the College in its response to the IAC Hearing Committee has expressed its intention to update its mission and planning documents, such updates should have been a precursor to any decision to terminate undergraduate education, are occurring belatedly, and remain without appropriate constituent involvement.

The College meets Criterion One, Core Component 1.D, "the institution's mission demonstrates commitment to the public good," but with concerns because it is unclear how much of the vision for the conservancy originated with the College versus the external foundation and its goal to stabilize an urban community, and whether the College fully examined other potential steps it might have taken preceding this decision,

such as eliminating programs that were under-enrolled and adjusting faculty and staff accordingly, that might have better served the interests of the College community.

The College meets Criterion Two, Core Component 2.A “the institution operates with integrity in its financial, academic, personnel, and auxiliary functions; it establishes and follows policies and processes for fair and ethical behavior on the part of its governing board, administration, faculty, and staff,” but with concerns because of the exclusion of faculty and staff in planning discussions; ineffective procedures to collect tuition and fees to minimize unpaid student debt; and the exclusion of two significant loans, Wayne County and IHM Order, in the financial documentation.

The College meets Criterion Three, Core Component 3.D, “the institution provides support for student learning and effective teaching,” but with concerns because it is not clear what student support services and infrastructure will be provided for graduate programs only, particularly considering the fact that a significant percentage of students are online only.

The College meets Criterion Five, Core Component 5.D, “the institution works systematically to improve its performance,” but with concerns because as a result of the reactive institutional practice of managing budgetary shortfalls by pursuing cost-cutting strategies and external funding opportunities to adjust for missed enrollment projections, there has been no focus on systematically improving the performance of the institution.

Should the College not file its Show-Cause Report by the stipulated deadline, the Board may move to withdraw the College’s accreditation. The Board may waive notice and call for a special meeting any time after the deadline to consider such an action, or it may take such an action at its February 2018 meeting.

The Show-Cause Order is a public document that will appear on the HLC website. The Order will remain in effect until the Board reviews, at its June 2018 meeting, the College’s Show-Cause Report, the Show-Cause Team Report, and the College’s response to the Show-Cause Team Report. In addition, the College will have an opportunity to meet with a subcommittee of the Board of Trustees at a Board Committee Hearing, which will be on the record, prior to Board action, and the transcript of the Hearing will be provided to the Board.

If the Board determines that the College has ameliorated each concern and that it meets the Criteria for Accreditation and Core Components, the Board will establish a date for the next comprehensive evaluation and any other monitoring of the College or required substantive change approvals including approvals for change of mission, change of degree programs, or change of structure. Should the College proceed to effect the change of structure resulting in the transfer of the campus to another entity or related changes, HLC policy allows its Board to move to withdraw the accreditation of the College.

Should the College be unable to establish to the satisfaction of the Board at the end of the Show-Cause period that the College has ameliorated each concern identified by the Board and that the College meets each of the Criteria for Accreditation and Core Components, the Board will move to withdraw the accreditation of the College at its June 2018 meeting on grounds related to the College’s compliance with any of the Criteria or Core Components.

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. HLC will also post this action letter, a Public Disclosure Notice concerning this action, and the Show-Cause Order on its website. In addition, HLC policy COMM.A.10.010, Commission Public Notices and Statements, requires that HLC 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 action regarding the College. The Commission will simultaneously inform the U.S. Department of Education of this action by copy of this letter.

An institution under a Show-Cause Order issued by the Board should inform its board, administration, faculty, staff, students, including prospective students, and other campus constituents about the Order and how to contact HLC for further information. The institution must post the Order prominently on its website. HLC policy INST.E.30.010, Show-Cause, subsection Public Disclosure of Show-Cause, anticipates that an institution will complete these notifications within fourteen days of receipt of this letter. The policy also requires that an institution on Show-Cause 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. I ask that you copy your staff liaison, Dr. Barbara Johnson, on emails and other communications with constituents regarding this action and provide her with a link to information on your website and with samples of disclosures.

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

Sincerely,



Barbara Gellman-Danley
President

Enclosures: Public Disclosure Notice
Show-Cause Order

cc: Chair of the Board of Trustees, Marygrove College
Sally Welch, Provost, Marygrove College
Chair, Peer Review Team
Chair, Institutional Actions Council Hearing Committee
Michael Beamish, Manager, Private Postsecondary Education, Michigan Department of Licensing and Regulatory Affairs, Licensing Division, Bureau of Commercial Services, Proprietary School Licensing
Herman Bounds, Director, Accreditation and State Liaison, Office of Postsecondary Education, U.S. Department of Education
Sarah Adams, Compliance Manager, U.S. Department of Education
Barbara Johnson, Vice President for Accreditation Relations, Higher Learning Commission
Karen Peterson Solinski, Executive Vice President for Legal and Governmental Affairs, Higher Learning Commission