

March 2, 2017

Dr. Ashish Vaidya
Interim President
St. Cloud State University
720 4th Ave. South
Administrative Services 209
St. Cloud, MN 56301-4498

Dear President Vaidya:

This letter serves as formal notification and official record of action taken concerning St. Cloud State University by the Institutional Actions Council of the Higher Learning Commission at its meeting on February 27, 2017. The date of this action constitutes the effective date of the institution's new status with HLC.

Action with Interim Monitoring. IAC continued the accreditation of St. Cloud State University with the next Reaffirmation of Accreditation in 2026-27. In conjunction with this action, IAC required the following interim monitoring:

Embedded Report. A report on core component 4B on alignment of program and institutional outcomes and assessment of co-curricular programs embedded in the Year 4 Standard Pathway visit.

Further, IAC voted to change the team's evaluation of Criterion 5A from "Met" to "Met with Concerns" and in conjunction with this change, required the following interim monitoring:

Embedded Report. A report embedded in the Year 4 Standard Pathway visit on finances to include a revenue model, financial plan, and recent audits. The report should address St. Cloud University's financial strategic plan and health. The report should address fiscal decision processes and actions.

Rationale: Evidence from the assurance argument does not appear to have been incorporated into the evaluation of the fiscal component. This evidence is the estimated CFI for FY16, legislated tuition freeze for FY17, the changed market for recruiting students, the need to prepare monthly cash flow statements, and the shift to a 6-month assessment of productivity targets by the Academic Affairs division to allow for mid-year budget adjustments. CFI trend as reported by the institution assurance argument page 86 (case file page 194):

FY 07 – 13, hovered around 2.0
FY 14, 0.07 {reported as a drop of over 2 points included pension liabilities}
FY 15, negative 0.27 {included pension liabilities}
FY 16, 0.41 {identified as pre-GASB adj. – probably means pension liabilities not included}

Action. IAC did not concur with the evaluation findings and voted to place the institution on the Standard Pathway for reaffirmation of accreditation.

Rationale: IAC amended the findings of the evaluation team and changed the "Met" to "Met with Concerns" for Criterion 5A. In addition to the institution's financial situation, the pathways determination should also consider the effect of the institution's struggle with progress on assessing its institutional learning outcomes since 2006 and its graduation from the

HLC Assessment Academy in 2010. The team's report also cited the lack of any assessment for co-curricular programs and rated core component 4B as "Met with Concerns.". A second issue for the pathway determination is the significance of the leadership transition, primarily in Academic Affairs, which appears to be occurring at the institution.

In two weeks, this action will be added to the *Institutional Status and Requirements (ISR) Report*, a resource for Accreditation Liaison Officers to review and manage information regarding the institution's accreditation relationship. Accreditation Liaison Officers may request the ISR Report on HLC's website at <http://www.hlcommission.org/isr-request>.

Information on notifying the public of this action is available at <http://www.hlcommission.org/HLC-Institutions/institutional-reporting-of-actions.html>.

If you have any questions about these documents after viewing them, please contact the institution's staff liaison Steph Brzuzy. Your cooperation in this matter is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Gellman-Danley".

Barbara Gellman-Danley
President

CC: ALO