

May 5, 2017

Dr. M. Millard
President
United Theological Seminary
4501 Denlinger Road
Dayton, OH 45426-2308

Dear President Millard:

This letter serves as formal notification and official record of action taken concerning United Theological Seminary by the Institutional Actions Council of the Higher Learning Commission at its meeting on May 1, 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 United Theological Seminary with the next Reaffirmation of Accreditation in 2026-27. In conjunction with this action, IAC required the following interim monitoring.

Interim Report: An Interim Report due 10/15/18 on learning outcomes for the D.Min. degree program.

Interim Report: An Interim Report due 1/31/18 on the results of efforts to stabilize enrollment and ease the related pressure on institutional finances. The report should include the results of the institution's efforts to reassess and improve as necessary its process for financial planning and decision making to assure it promotes shared governance.

Further, IAC recommended to change the team's evaluation of Criterion 5.A.1 and 2.C.2 from "Met" to "Met with Concerns" with the following evidence and determined that a monitoring report should be submitted.

Rationale: As UTS reported, 60 percent of its revenues are dependent upon student enrollment, and so a recent drop in enrollment created substantial financial pressures. While its A-133 audit uncovered no issues in its financial management practices, UTS had to make significant budget cuts in 2015 and 2016. A decision not to increase tuition in an effort to stabilize enrollment also contributed to a further decrease in student revenues. The institution reported that for the first time since at least FY2010, it experienced a net operating loss of \$208,000 in FY2015. UTS has had to divert funds earmarked for development to the operating budget to cover fixed costs. The team noted in its report that the institution's financial decisions contributed to a perception among some staff that employees had not been effectively involved in the decision-making process. The institution reports it has initiated efforts to restore money taken from its development fund, but as the team noted, it has not developed a formal strategy to address the underlying issue of enrollment declines and revenue shortfalls. UTS may be able to forestall deeper problems if it is required to develop a formal plan immediately and report its actions to the commission in an Interim Report.

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>.

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

Sincerely,

A handwritten signature in black ink, reading "Barbara Gellman-Danley". The signature is written in a cursive, flowing style.

Barbara Gellman-Danley
President

CC: ALO