Higher Learning Commission

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July 8, 2025

BY CERTIFIED MAIL

Brennan Randolph
President
Saint Mary-of-the-Woods College
1 St. Mary of Woods College
St. Mary of the Woods, IN 47876

Dear President Randolph:

This letter is formal notification of action taken by the Higher Learning Commission (HLC) Board of Trustees ("the Board") concerning Saint Mary-of-the-Woods College ("the Institution"). This action is effective as of the date the Board acted, June 26, 2025. In taking this action, the Board considered materials from the most recent focused visit, including, but not limited to: the focused visit report the Institution submitted, the report from the focused visit 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, 2.C, 5.A, and 5.B with concerns. The Institution does not meet Assumed Practice D.4. The Institution is required to host an embedded Notice Visit as part of its next comprehensive evaluation for reaffirmation of accreditation to determine whether the Institution has ameliorated the findings that led to the imposition of the sanction.

Institutional Disclosure Obligation: HLC policy[1] 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 its 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 https://www.hlcommission.org/sign-in/submit-documents-to-

[1] INST.E.10.010, Notice.

hlc/ (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.

Substantive Change: HLC policy[2] 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[3] states that an institution placed on notice is ineligible for the Notification Program for Additional Locations for three (3) years following the removal of Notice, providing all other requirements for the Notification Program are met.

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:

Saint Mary-of-the-Woods College ("the Institution") 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:

- While the Institution has made progress in addressing several aspects of integrity with respect to financial reporting, the Institution still faces significant challenges, including material delays in completing annual audits, difficulty accessing financial records, and delays in paying local vendors.
- The Institution does not have donor tracking systems or procedures to manage donations effectively that enable it to adhere to integrity standards with respect to the endowment and the Institution has historically borrowed from and otherwise used endowment funds in ways that are inconsistent with institutional policy.
- The Institution has recently experienced significant staff turnover resulting in a lack of experience in addressing the Institution's financial issues.

The Institution meets, but with concerns, Criterion Two, Core Component 2.C, "the governing board of the institution is autonomous to make decisions in the best interest of the institution in compliance with board policies and to ensure the institution's integrity," for the following reasons:

- While there has recently been increased engagement from board members, including financial commitments from individual board members to address financial issues, the board is nonetheless transitioning from a period in which its operations lacked sufficient engagement and oversight, and it needs to articulate policies and processes to sustain essential and appropriate levels of engagement.
- While the Institution's board has recently undertaken various activities, including developing plans for trustee onboarding, ongoing development, and additional retreat

[2] INST.G.10.010, Substantive Change.
[3] INST.E.10.010, Notice.

foci, more time is needed for the Institution to provide evidence of implementation and to evaluate the effectiveness of these measures.

The Institution meets, but with concerns, Criterion Five, Core Component 5.A, "through its administrative structures and collaborative processes, the institution's leadership demonstrates that it is effective and enables the institution to fulfill its mission," for the following reasons:

- The Institution has retained competent, but temporary, staffing to oversee its finances, but it still faces the need to employ a qualified individual as its permanent CFO.
- The Institution has experienced recent, continued turnover in key positions and in staff in critical areas that affect its ability to assure continued progress in improvement in areas related to budgeting and finance.
- While the Institution recently revised its by-laws to include another layer of review and approval with respect to the annual budget by the board, the board is also undergoing a restructuring that has not been completed.

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:

- There is limited data available to the Institution for it to make budgeting decisions in both academic and administrative areas to identify areas for improvement because the Institution does not have a staff member focused on assessment.
- While the Institution has developed a repayment plan for funds inappropriately borrowed from the endowment, there is no evidence of adequate safeguards to ensure the integrity of restricted endowment funds.
- While the Institution experienced an increase in unrestricted giving that enabled it to meet its obligations to local vendors and move into FY25 with unallocated reserves of approximately $1.6 million, the Institution nonetheless faces several issues that are intricately connected to its financial situation, including the need to develop practices and processes to address short and long term deferred maintenance and reducing over-reliance on uncertain revenue streams and lines of credit or loans.

The Institution does not meet Assumed Practice D.4, "the institution maintains effective systems for collecting, analyzing, and using institutional information," for the reasons stated under Core Component 5.B.

The Board of Trustees of the Higher Learning Commission has 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.

Next Steps in the HLC Review Process

Notice Report: The Board required that the Institution submit a Notice Report with its next Assurance Filing at least eight weeks prior to the visit providing evidence that the Institution is no longer at risk for being out of compliance with the Criteria for Accreditation and that it has ameliorated the issues that led to the Notice sanction.[4]

Comprehensive Evaluation: The Institution has been maintained on the Standard Pathway with its next comprehensive evaluation for reaffirmation of accreditation in 2026-27, to occur in fall 2026, which will include an embedded review of the Notice sanction.

Board Review: The Board will review the documents associated with the evaluation at its June 2027 meeting to determine whether the Institution has ameliorated the findings of Met with Concerns and is no longer at risk of being out of compliance 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.

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,[5] 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. John Marr.

Sincerely,

Barbara Gellman-Danley

Barbara Gellman-Danley
President

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[4] Please note: Revisions to HLC's Criteria for Accreditation and Assumed Practices will go into effect on September 1, 2025. Institutions will be evaluated against these revised HLC requirements for all reviews conducted after that date, including reviews related to previously assigned monitoring. Institutional reports submitted on or after September 1, 2025, or institutional reports or Assurance Arguments for visits that will take place on or after September 1, 2025, should be written to the revised version of the Criteria or Assumed Practices as applicable. More information, including a crosswalk between the current and revised versions of the Criteria, is available on HLC's website at https://www.hlcommission.org/accreditation/policies/criteria/.

[5] COMM.A.10.010, Notice of Accreditation Actions, HLC Public Notices and Public Statements

Enc: Public Disclosure Notice

Cc: Chair of the Board of Trustees, Saint Mary-of-the-Woods College
Janet Clark, Provost, Saint Mary-of-the-Woods College
Evaluation Team Chair
IAC Hearing Committee Chair
John Marr, Vice President of Accreditation Relations
Marla Morgen, Vice President and General Counsel, Higher Learning Commission
Chris Lowery, Commission, Indiana Commission for Higher Education
Elizabeth Daggett, Director, Accreditation Group, Office of Postsecondary Education, U.S. Department of Education