

Change of Control Report to the Board of Trustees

For Change of Control, Structure or Organization

Requested by:  [Name of institution(s)]

Date:

## Involved Parties

Party 1:

Party 2:

Party 3:

## Members of the Team Conducting the Review

Name:

Name:

Name:

## Proposed Transaction

**Overview**

**History Leading to the Transaction**

**State/Federal Review of the Proposed Transaction**

**HLC Review of the Transaction**

## Analysis of the Key Factors

The following section analyzes the information presented in the application for Change of Control, Structure or Organization under the Key Factors set forth in HLC policy. Under policy, these factors are not exhaustive and the HLC Board of Trustees may consider other factors it deems relevant in review of the proposed Change of Control, Structure or Organization.

### Key Factor 1. Whether the proposed change represents the extension of the mission, educational programs, student body and faculty that were in place when HLC last conducted an on-site evaluation of the member institution.

Mission:

Educational Programs:

Student Body:

Faculty:

**Team determination on Key Factor 1:**

**Key Factor 2.** The ongoing continuation and maintenance of the institution that has historically been a member of HLC with regard to its objectives, outreach, scope, structure and related factors.

**Team determination on Key Factor 2:**

### Key Factor 3. Substantial likelihood that the institution, including the revised governance and management structure of the institution, will continue to meet HLC’s Eligibility Requirements and will continue to meet, or meet with concerns, the Criteria for Accreditation.

### Assessment of Compliance With Eligibility Requirements After the Transaction

1. **Jurisdiction of HLC**  
   The institution falls within HLC's jurisdiction as defined in HLC's Bylaws (Article II). HLC extends accreditation and candidacy for accreditation to higher education institutions that are 1) incorporated in, or operating under federal authority within the United States, and 2) have substantial presence, as defined in HLC policy, within the United States.
2. **Legal Status**  
   The institution is appropriately authorized in each of the states, sovereign nations, or jurisdictions in which it operates to award degrees, offer educational programs, or conduct activities as an institution of higher education. At least one of these must be in HLC's jurisdiction.
3. **Governing Board**  
   The institution has an independent governing board that possesses and exercises the necessary legal power to establish and review the basic policies that govern the institution.
4. **Stability**  
   The institution demonstrates a history of stable operations and consistent control during the two years preceding the submission of the [application]***[[1]](#footnote-2)***.
5. **Mission Statement**  
   The institution has a statement of mission approved by its governing board and appropriate for a degree-granting institution of higher education. The mission defines the nature and purpose of the higher learning provided by the institution and the students for whom it is intended.
6. **Educational Programs**  
   The institution has educational programs that are appropriate for an institution of higher education. HLC may decline to evaluate an institution for status with HLC if the institution’s mission or educational programs fall outside areas in which HLC has demonstrated expertise or lacks appropriate standards for meaningful review.  
     
   In appropriate proportion, the institution’s programs are degree-granting and involve coursework provided by the institution, establishing the institution’s commitment to degree-granting higher education.   
     
   The institution has clearly articulated learning goals for its academic programs and has strategies for assessment in place.  
     
   The institution:  
     
   a. maintains a minimum requirement for general education for all of its undergraduate programs whether through a traditional practice of distributed curricula (15 semester credits for AAS degrees, 24 for AS or AA degrees, and 30 for bachelor’s degrees) or through integrated, embedded, interdisciplinary, or other accepted models that demonstrate a minimum requirement equivalent to the distributed model. Any exceptions are explained and justified.   
     
   b. has a program of general education that is grounded in a philosophy or framework developed by the institution or adopted from an established framework. It imparts common knowledge and intellectual concepts to students and develops skills and attitudes that the institution believes every college-educated person should possess. The institution clearly and publicly articulates the purposes, content and intended learning outcomes of its general education program.  
     
   c. conforms to commonly accepted minimum program length: 60 semester credits for associate’s degrees, 120 semester credits for bachelor’s degrees, and 30 semester credits beyond the bachelor’s for master’s degrees. Any exception to these minima must be explained and justified.  
     
   d. meets the federal requirements for credit ascription described in HLC's Federal Compliance Program.
7. **Information to the Public**  
   The institution makes public its statements of mission, vision, and values; full descriptions of its program requirements; its requirements for admission both to the institution and to particular programs or majors; its policies on acceptance of transfer credit, including how credit is applied to degree requirements; clear and accurate information on all student costs, including tuition, fees, training and incidentals, and its policy on refunds; its policies regarding good standing, probation, and dismissal; all residency requirements; and grievance and complaint procedures.  
     
   The institution portrays clearly and accurately to the public its accreditation status with institutional, specialized, and professional accreditation agencies as well as with the Higher Learning Commission, including a clear distinction between candidate or accredited status and an intention to seek status.
8. **Financial Capacity**  
   The institution has the financial base to support its operations and sustain them in the future. It demonstrates a record of responsible fiscal management, including appropriate debt levels.  
     
   The institution:  
     
   a. has a prepared budget for the current year and the capacity to compare it with budgets and actual results of previous years; and  
     
   b. undergoes external financial audit by a certified public accountant or a public audit agency. For private institutions the audit is annual; for public institutions it is at least every two years. (Institutions under federal control are exempted provided that they have other reliable information to document the institution’s fiscal resources and management.)
9. **Administration**  
   The institution has a Chief Executive Officer appointed by its governing board.  
     
   The institution has governance and administrative structures that enable it to carry out its operations.
10. **Faculty and Other Academic Personnel**  
    The institution employs faculty and other academic personnel appropriately qualified and sufficient in number to support its academic programs.
11. **Learning Resources**  
    The institution owns or has secured access to the learning resources and support services necessary to support the learning expected of its students (research laboratories, libraries, performance spaces, clinical practice sites, museum collections, etc.).
12. **Student Support Services**  
    The institution makes available to its students support services appropriate for its mission, such as advising, academic records, financial aid, and placement.
13. **Planning**  
    The institution demonstrates that it engages in planning with regard to its current and future business and academic operations.
14. **Policies and Procedures**  
    The institution has appropriate policies and procedures for its students, administrators, faculty, and staff.
15. **Current Activity**  
    The institution has students enrolled in its degree programs. (To be granted initial accreditation, an institution must have graduated students from at least one degree   
    program.)
16. **Integrity of Business and Academic Operations**  
    The institution has no record of inappropriate, unethical, and untruthful dealings with its students, with the business community, or with agencies of government. The institution complies with all legal requirements (in addition to authorization of academic programs) wherever it does business.
17. **Consistency of Description Among Agencies**  
    The institution describes itself consistently to all accrediting and governmental agencies with regard to its mission, programs, governance, and finances.
18. **Accreditation Record**  
    Within the five years preceding the submission of the [application]***[[2]](#footnote-3)***, the institution has not (a) been subject to a sanction or Show-Cause Order with another recognized accreditor; (b) has not been subject to an adverse action with another recognized accreditor; or (c) has not voluntarily resigned its status with another recognized accreditor while subject to (a) or (b).
19. **Good Faith and Planning to Achieve Accreditation**  
    The board has authorized the institution to seek membership with HLC and indicated its intention, if a member of HLC, to accept the Obligations of Membership.  
      
    The institution has a realistic plan for achieving accreditation with HLC within the period of time set by HLC policy.   
      
    a. If the institution offers programs that require accreditation from a recognized accreditor in order for its students to be certified or sit for licensing examinations, it either has the appropriate accreditation or discloses publicly and clearly the consequences of the lack thereof. The institution always makes clear to students the distinction between the various types of accreditation and the relationship between licensure and these various types of accreditation.  
      
    b. If the institution is predominantly or solely a single-purpose institution in fields that require licensure for practice, it demonstrates that it is also accredited by or is actively in the process of applying to a recognized accreditor for each field, if such a recognized accreditor exists.

### Assessment of Compliance With the Criteria for Accreditation After the Transaction

**Criterion 1. Mission**

The institution’s mission is clear and articulated publicly; it guides the institution’s operations.

***Core Components***

1.A. The institution’s mission is articulated publicly and operationalized throughout the institution.

1.B. The institution’s mission demonstrates commitment to the public good.

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.

**Criterion 2. Integrity: Ethical and Responsible Conduct**

The institution acts with integrity; its conduct is ethical and responsible.

***Core Components***

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.

2.B. The institution presents itself clearly and completely to its students and to the public.

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.

2.D. The institution is committed to academic freedom and freedom of expression in the pursuit of truth in teaching and learning.

2.E. The institution’s policies and procedures call for responsible acquisition, discovery and application of knowledge by its faculty, staff and students.

**Criterion 3. Teaching and Learning: Quality, Resources, and Support**

The institution provides high quality education, wherever and however its offerings are delivered.

***Core Components***

3.A. The rigor of the institution’s academic offerings is appropriate to higher education.

3.B. The institution offers programs that engage students in collecting, analyzing and communicating information; in mastering modes of intellectual inquiry or creative work; and in developing skills adaptable to changing environments.

3.C. The institution has the faculty and staff needed for effective, high-quality programs and student services.

3.D. The institution provides support for student learning and resources for effective teaching.

**Criterion 4. Teaching and Learning: Evaluation and Improvement**

The institution demonstrates responsibility for the quality of its educational programs, learning environments, and support services, and it evaluates their effectiveness for student learning through processes designed to promote continuous improvement.

***Core Components***

4.A. The institution ensures the quality of its educational offerings.

4.B. The institution engages in ongoing assessment of student learning as part of its commitment to the educational outcomes of its students.

4.C. The institution pursues educational improvement through goals and strategies that improve retention, persistence and completion rates in its degree and certificate programs.

**Criterion 5. Resources, Planning, and Institutional Effectiveness**

The institution’s resources, structures, and processes are sufficient to fulfill its mission, improve the quality of its educational offerings, and respond to future challenges and opportunities. The institution plans for the future.

***Core Components***

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.

5.B. The institution’s resource base supports its educational offerings and its plans for maintaining and strengthening their quality in the future.

5.C. The institution engages in systematic and integrated planning and improvement.

### Shared Service Arrangements

Analysis of Shared Services Arrangements involved in the transaction, subject to review and approval under HLC policy (Explain how the arrangements support the institution's continued compliance with HLC requirements):

**Team determination on Key Factor 3:**

### Key Factor 4. Sufficiency of financial support for the transaction.

**Team determination on Key Factor 4:**

### Key Factor 5. Previous experience in higher education, qualifications, and resources of the new owners, Board members or other individuals who play a key role in the institution or related entities subsequent to the transaction, as well as such parties’ record of integrity in dealing with students, the business community, agencies of government or other accreditors.

**Team determination on Key Factor 5:**

## Addendum for Applications Involving an Acquisition Followed by a Merger or Consolidation

Complete this section only for applications involving an acquisition followed by a merger or consolidation of another institution. In such cases, the institution must secure HLC approval for and consummate the acquisition prior to separately securing HLC approval for the subsequent merger or consolidation in accordance with HLC policies and procedures for Change of Control, Structure or Organization.

Explain how the applying institution will ensure stability and ongoing compliance with HLC requirements during the period following the acquisition and prior to the merger or consolidation.   
  
**Note:** Any concerns as they relate to a particular Eligibility Requirement or Core Component within the Criteria for Accreditation should be fully explained and referenced in the appropriate section(s) of this report.

## Conclusion

1. Language substituted. While the original Eligibility Requirement language references an institution’s Eligibility Filing, in this context HLC reviews the applicable time period preceding the submission of the relevant Change of Control application. [↑](#footnote-ref-2)
2. Language substituted. While the original Eligibility Requirement language references an institution’s initiation of the Eligibility process, in this context HLC reviews the applicable time period preceding the submission of the relevant Change of Control application. [↑](#footnote-ref-3)