



July 10, 2019

VIA ELECTRONIC MAIL

Dr. Elizabeth MacLeod Walls, President
William Jewell College
500 College Hill
Liberty, MO 64068

Dear President MacLeod Walls:

This letter is formal notification of action taken by the Higher Learning Commission (HLC) Board of Trustees (“the Board”) concerning William Jewell College (“the Institution”). This action is effective as of the date the Board acted, June 27, 2019. In taking this action, the Board considered materials from the most recent comprehensive evaluation, including, but not limited to: the Assurance Filing the Institution submitted, the report from the comprehensive evaluation team, the report of the Institutional Actions Council (IAC) Hearing Committee, and the institutional responses to these reports.

Summary of the Action: The Board determined that the Institution is no longer out of compliance with the Criteria for Accreditation and removed the Institution from Probation and assigned interim monitoring. The Institution meets Core Component 5.A with concerns. The Institution is required to submit an Interim Report, as outlined below, no later than November 1, 2020.

Board Rationale

The Board based its action on the following findings made with regard to the Institution:

The Institution now meets without concerns 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:

- The Institution is governed by an independent, self-perpetuating Board of Trustees whose authority, membership, and responsibilities are set forth in the Institution’s Bylaws.
- Board members understand their responsibilities and are committed to preserving and enhancing the Institution. Board meeting minutes and minutes of the various Board committees verify that the Board is broadly and appropriately engaged in fulfilling its fiduciary responsibilities. Focus areas include education, planning, oversight of the endowment and investment policies and strategies, enrollment management, tuition rates and the Institution’s tuition discounting strategy, cost management, capital planning, and long-term debt management.

- Minutes from the May 2016 and May 2017 Board meetings reveal evidence of prior Board awareness of the need to reduce the endowment draw to a more sustainable level and engagement of the associated challenges in doing so.
- In July 2016, the Executive Committee included in its performance objectives for the Institution's new President a mandate to reduce endowment drawdowns. This resulted in a reduction in the endowment draw to 7% in fiscal year 2017. In July 2017, the Board once again issued a performance objective to further reduce the endowment distribution to 5% by 2019. This objective was achieved in fiscal year 2018, one year early, with a 4.9% distribution.
- In May 2018, the Board took further steps to address the issue of unsustainable distributions from the endowment by approving a new policy establishing the endowment distribution rate at 5% of a three-year average market valuation, consistent with the Board's understanding of best practices for endowment distributions.
- The Board has formed several task forces comprised of fellow Board members, faculty, staff, students, and administrators to focus attention on increasing and diversifying enrollments, sources of revenue, and expenditure reductions. This approach enables the Board to engage these important issues, while providing significant stakeholder input.

The Institution now meets without concerns Criterion Four, Core Component 4.A, "the institution demonstrates responsibility for the quality of its educational programs," for the following reasons:

- The Institution has a defined policy and procedure for conducting academic program review, as outlined in the Faculty Handbook, 2018 Edition. The process includes a Program Review Committee, mandatory involvement of external reviewers, and the Provost's oversight.
- In accordance with the published schedule, the Institution has completed eight program review reports with an additional six programs to be completed in 2018-2019. Two additional programs, the Core Curriculum, and the Honors Program are slated to be completed in 2019-2020. Completed reports document that the self-studies identify both strengths and challenges, inclusive of external review. The program review reports are comprehensive and include realistic and detailed action plans for improvement.
- The Institution maintains programmatic accreditation for its Education, Music, and Nursing programs. The Institution is presently seeking accreditation through the Accreditation Board for Engineering and Technology for its civil engineering program. All programmatic accreditations are listed on the Institution's website, and all accredited programs are in good standing.
- Faculty hiring processes outlined in the Faculty Handbook ensure appropriate qualifications. Department chairs are charged with the annual evaluation of each faculty member. The evaluation includes a discussion of the results of learning assessment at the course level.
- To evaluate the success of its graduates, the Institution administers the First

Destination Survey within six months to one year following graduation. This process begins in the spring by talking with seniors and acquiring updated contact information. The Executive Summary for 2017 shows longitudinal data on several metrics between 2012 and 2017. Data are shared and included in program review reports. An evaluation of students' preparation for graduate school and employment is incorporated in varying degrees in the external reviews required for program review.

The Institution now meets without concerns Criterion Four, Core Component 4.B, "the institution demonstrates a commitment to educational achievement and improvement through ongoing assessment of student learning," for the following reasons:

- The Curriculum and Educational Policy Committee (CEPC) requires program learning outcomes and assessment plans for all academic programs. Course learning outcomes that are linked to the program learning outcomes are required components of syllabi. Minutes from the April 2016 faculty meeting indicate that the CEPC reviewed 44 assessment plans that year.
- The general education portion of the Institution's Core Curriculum is treated like a program and the Institution provides annual and multi-year reports on the assessment results. Faculty teams use rubrics to assess the Core Curriculum. The Core Curriculum outcomes are: (1) Written/Oral Communication, (2) Critical Thinking, (3) Ethical Reasoning, (4) Inquiry and Analysis, and 5) Intercultural Knowledge and Competence.
- The Institution's process for defining learning outcomes and assessment plans for co-curricular programs is emerging. A Co-Curricular Assessment Review Committee has been established. To date, eleven co-curricular assessment reports have been completed and include the Committee's feedback. Staff from co-curricular functions participated in professional development sessions in the summer of 2017 to learn how to engage in a systematic process for assessment.
- The Institution's assessment reports are sufficiently detailed, make use of direct methods of assessment, and tie results to stated goals and benchmarks. Most reports elaborate on changes to be made in the curriculum or the assessment process stemming from the results. The Institution maintains a comprehensive list of changes and improvements made as a result of its assessment activity.
- The Institution has progressed in developing processes that support a culture of assessment, namely in program review and the assessment of co-curricular programs, that reflect good practice and are inclusive of the faculty and staff. Building a culture of assessment is a strategic initiative in the Institution's 2023 Strategic Plan.

The Institution now meets, but with concerns, 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 Institution has established metrics for the following items for the period of FY2018 through FY2023: (1) enrollment, (2) third-semester retention, (3) six-year graduation rate, (4) overall discount rate, (5) athlete discount rate, (6) non-athlete

discount rate, (7) endowment draw, (8) endowment-to-debt ratio, (9) critical thinking familiarity for prospective students, (10) critical thinking familiarity for parents of prospective students, (11) hiring decision-makers, (12) value proposition for prospective students, and (13) value proposition for parents of prospective students. These metrics were established in spring 2018.

- Additional metrics were established at approximately the same time for the following strategic initiatives: (1) Recruiting, (2) Financials, (3) Fundraising, (4) Marketing, (5) Student Experience, (6) Diversity and Inclusion, and (7) Academic/Applying Critical Thinking and Inquiry.
- During the summer of 2018, the Board established three task forces to develop recommendations for future action. These groups include the Athletics Task Force, the Enrollment and Marketing Task Force, and the Programmatic Development Task Force. The Board seeks from each task force thoroughly considered options for prioritization and next steps.
- The Institution's By-Laws have been revised to allow a maximum 5% annual endowment draw based on the average year-end endowment of the last three years. The Institution's new Insider Investment Fund (IIF) will replace the supplemental endowment draw and is governed by the strategic plan. The IIF has been designed as a five-year bridge program until the strategic initiatives yield improved financial health.
- Because the aforementioned initiatives are emerging and remain vital to the Institution's future, HLC verification of this work is necessary to determine whether execution of the Institution's plans yield the goals that have been established.

The Institution now meets 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 Institution's Board has taken the following steps to address previously noted financial concerns:
 - October 2017: The Board approved a resolution that the administration "...enact expense management initiatives that will position the college to achieve a fixed cost structure commensurate with the total number of students by 2019."
 - January 2018: The Board approved a new mission statement and the Institution's 2018-2023 strategic plan. The Board further established the IIF (see Core Component 5.A above) to drive the Institution's strategic plan and overall enrollment health for a five-year period ending in FY 2023. As of December 2018, the fund had raised over \$17 million for this purpose.
 - April 2018: The Board hosted a workshop conducted by a representative of Associated Governing Board Consulting on fiduciary responsibility.
 - May 2018: The Board approved the Endowment Spending Policy that established an annual amount not to exceed 5% of the average total endowment value as of June 30, for the three preceding years in which the

endowment expenditure is planned.

- The Board meets at least three times per year and has seven standing committees: Executive, Academic Affairs and Student Life, Finance and Capital Planning, Committee on Trustees, Investment, and Audit and Development.
- Faculty, staff and students maintain representation as advisory members on the Board to ensure that the various constituencies of the campus are involved in the Institution's governance.
- The Institution maintains a structure that fosters collaboration on academic requirements, policy, and processes; it seeks contributions from all campus constituencies.

The Institution now meets Criterion Five, Core Component 5.C, "the institution engages in systematic and integrated planning," for the following reasons:

- In fall 2017, as part of the development of a new strategic plan, the Institution's President formed a Strategic Planning Committee comprised of faculty, staff, students, and alumni to evaluate the Institution's existing mission statement in relation to a new grounding philosophy at William Jewell College: "We are critical thinkers in community pursuing meaningful lives." This process involved open forums and meetings in which feedback from various constituents was sought, including the external community of the greater Kansas City area.
- A Director for Strategic Planning has been appointed. The Director chairs the Strategic Planning Committee and leads the committee as it assesses the Institution's progress in achieving its strategic priorities. The Director meets monthly with the President's Cabinet and three times annually with the Institution's Board.
- The Institution has implemented expense management initiatives that have eliminated approximately \$4.6 million from its FY2019 operating budget, as compared to FY2016. This has been achieved through staff reductions (16 full-time faculty, 17 full-time staff). The elimination of expenses is an ongoing process designed to realign the Institution's cost structure with its current enrollment revenue status.
- Additional evidence of effective planning at the Board level includes the following:
 - The Board approved the Institution's new mission statement and strategic plan in January 2018.
 - The Board established different task forces for Enrollment and Marketing, Programmatic Development, and Athletics to drive progress in the areas of enrollment, budgeting, and financial responsibility.
 - A Vice President of Enrollment was hired to increase and monitor student enrollment.
 - Two new Board members with financial expertise have joined the Board to provide financial oversight.

The Institution now meets Criterion Five, Core Component 5.D, "the institution works

systematically to improve its performance,” for the following reasons:

- The Institution produces various reports to document evidence of performance in its operations. Current reports range from the Board-level dashboard reports, annual audit report, and IRS form 990 to operating-level department assessment reports, program reviews, student surveys, and course evaluations.
- Priorities conveyed in the Institution’s strategic plan include achieving annual net revenue goals, moving the Institution to a healthy and sustainable financial operating model, and establishing a brand identity for being known as “The Critical Thinking College” in Kansas City.
- At its January 26, 2018 meeting, the Board approved the establishment of the IIF (see Core Component 5.A above) to fund the Institution’s strategic plan and act as a five-year financial bridge from the Institution's current operating structure to one that is financially sustainable.
- The Strategic Planning Committee is working to establish key performance indicators (KPIs) to evaluate the Institution’s incremental achievement of its five-year goals. The Committee’s oversight process is based on a 90-day review cycle. At the beginning of each cycle, the President’s Cabinet establishes the strategic plan initiatives to be implemented over the period. At the end of the period, the Committee evaluates the Institution’s achievements and shortcomings in these areas. The Director of Strategic Planning then issues a report on the findings to help drive continuous improvement.

The Institution has demonstrated that it is otherwise in compliance with the Criteria for Accreditation, Assumed Practices and Federal Compliance requirements and can therefore be removed from Probation.

Next Steps in the HLC Review Process

Interim Report: The Board required that the Institution submit an Interim Report no later than November 1, 2020 regarding Core Component 5.A.

Comprehensive Evaluation: The Institution has been placed on the Standard Pathway with its next comprehensive evaluation for reaffirmation of accreditation in 2022-23.

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.

Information about this action is provided to members of the public and to other constituents in several ways. In accordance with HLC policy,¹ this Action Letter and the enclosed Public Disclosure Notice will be posted to HLC's website not more than 24 hours after this letter is sent to the Institution.

HLC policy² requires that a summary of Board actions be sent to appropriate state and federal agencies and accrediting associations. It 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. Eric Martin.

Sincerely,



Barbara Gellman-Danley
President

Enc: Public Disclosure Notice

Cc: Chair of the Board of Trustees, William Jewell College
Anne Dema, Provost, William Jewell College
Angelette Prichett, Director of Academic Programs and Initiatives, Missouri Department of
Higher Education
Evaluation Team Chair
IAC Hearing Committee Chair
Eric Martin, Vice President and Chief of Staff, Higher Learning Commission
Anthea Sweeney, Vice President for Legal and Governmental Affairs, Higher Learning
Commission

¹ INST.G.10.010, Management of Commission Information

² COMM.A.10.010, Commission Public Notices and Statements