



New England Commission
of Higher Education

October 22, 2018

Dr. Susan D. Stuebner
President
Colby-Sawyer College
541 Main Street
New London, NH 03257-7835

Dear President Stuebner:

I write to inform you that at its meeting on September 21, 2018, the New England Commission of Higher Education considered the report submitted by Colby-Sawyer College, as well as the report of the evaluator, and took the following action:

that the progress report submitted by Colby-Sawyer College be accepted;

that the report regarding the College's Master of Science in Nursing program be accepted and inclusion of the program within the institution's accreditation be confirmed;

that the College be reminded that its accreditation at the master's level is limited to the Master of Science in Nursing and that any plans to offer additional programs at the master's level should be submitted to the Commission, in keeping with the Policy on Substantive Change;

that the institution submit an Annual Report on Finance and Enrollment (ARFE) by January 7, 2019 for consideration in Spring 2019;

that the interim (fifth-year) report scheduled for consideration in Fall 2020 be confirmed;

that, in addition to the information included in all interim reports, the institution give emphasis, in the Fall 2020 report, to its success in:

1. achieving the goals of its Strategic Plan 2018-2023;
2. realizing a balanced budget with positive operating results, and developing a long-term plan to address the College's deferred maintenance needs;

DAVID QUIGLEY, Chair (2021)
Boston College

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Worcester, MA

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College of Our Lady of the Elms

JEFFREY R. GODLEY (2019)
Groton, CT

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MARIKO SILVER (2019)
Bennington College

KASSANDRA S. ARDINGER (2020)
Trustee Member, Concord, NH

RUSSELL CAREY (2020)
Brown University

FRANCESCO C. CESAREO (2020)
Assumption College

F. JAVIER CEVALLOS (2020)
Framingham State University

RICK DANIELS (2020)
Cohasset, MA

DONALD D. DEHAYES (2020)
University of Rhode Island

PAM Y. EDDINGER (2020)
Bunker Hill Community College

THOMAS S. EDWARDS (2020)
Thomas College

KIMBERLY M. GOFF-CREWS (2020)
Yale University

MARTIN J. HOWARD (2020)
Boston University

SUSAN D. HUARD (2020)
Manchester Community College (NH)

JEFFREY S. SOLOMON (2020)
Worcester Polytechnic Institute

ELEANOR BAKER (2021)
Falmouth, ME

KATHERINE BERGERON (2021)
Connecticut College

PETER L. EBB (2021)
Trustee Member, Boston, MA

GREGORY W. FOWLER (2021)
Southern New Hampshire University

DENNIS M. HANNO (2021)
Wheaton College

LILY S. HSU (2021)
Johnson & Wales University

ELLEN L. KENNEDY (2021)
Berkshire Community College

ABDALLAH A. SFEIR (2021)
Lebanese American University

NEIL D. STEINBERG (2021)
Providence, RI

JOHN M. SWEENEY (2021)
Providence College

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3. meeting enrollment and revenue goals established for its Master of Science in Nursing program;

that submission of the report be followed by a visit to validate its contents;

that the comprehensive evaluation scheduled for Spring 2025 be confirmed.

The Commission gives the following reasons for its action.

The report submitted by Colby-Sawyer College was accepted because it was generally responsive to the concerns raised by the Commission in its letter of November 4, 2015.

We commend Colby-Sawyer College for the progress it has made since its Spring 2015 comprehensive evaluation to address the areas identified by the Commission and for making the “difficult decisions” required to “ensure its stability and strength as a private college.” We are pleased to learn of the successful presidential transition and understand a team of capable administrators who bring “external experience and institutional history” is now in place. The engagement of Colby-Sawyer’s trustees as demonstrated by their commitment to fundraising is impressive, including contributing \$3.7 million in gifts over the past three years and the creation of a Trustee Endowed Scholarship Challenge. We are further encouraged that 66% – \$39.4 million – of the *Power of Infinity* capital campaign’s goal of \$60 million has been realized to date and that, in addition, the institution has consistently raised \$4.0 million per year in outright giving. With respect to capital improvements, we appreciate that over \$10.4 million has been invested in projects that include major upgrades to the technology infrastructure, paving of the campus thoroughfares, residential hall renovations, and the opening of a new Center for Art + Design in 2017, the College’s first new building in four years. The College’s prudent decision to reduce its distance education offerings (except for nursing) after an evaluation of their fiscal impact is also noteworthy.

Appreciating the institution’s goal of enhancing the value and experience of a Colby-Sawyer education, we concur with the College that it is also “conservatively” making progress to strengthen its financial stability. “Modest” net revenue increases are anticipated going forward following the elimination of some academic majors, staffing decreases, and other expense reductions. We note with approval that FY2018 ended with a small operating surplus and that the five-year budget model forecasts continuing improvement and enrollment stability. Even given this success, however, the College remains tuition dependent and has yet to reverse the enrollment decline experienced over the past several years – from a total of 1,311 in Fall 2014 to 917 (projected) in Fall 2018, with new students down from 333 to 244 (projected). Also, as acknowledged by the College, while the discount rate declined from 70.5% to 67.8% over this same period, it remains high due to the “intensity of discounting practices at crossover institutions” and Colby-Sawyer’s need to stay competitive. We therefore view positively the steps being taken to grow enrollment that include providing increased resources to support website development; ending the Price and Graduation Promise program; expanding the focus of international student recruitment; and implementing a four-year residency requirement. Given the College’s goal to build overall enrollment to 1,100 with 300 first-year students by Fall 2022, the 114% increase in inquiries resulting in part from the purchase of high school sophomore and junior names is good news.

The Commission also accepted the report submitted by Colby-Sawyer College and confirmed inclusion of the Master of Science in Nursing (MSN) within the institution’s accreditation because the report was responsive to the concerns raised in our letter of June 1, 2016 and provided evidence that the College is implementing the program in a manner consistent with Commission standards and policies. We are gratified to learn from the evaluator that the College has dedicated significant resources to support its first master’s level program to ensure a

supportive learning community for its MSN students. The achievement of a 100% pass rate on the Clinical Nurse Leader certification exam by the first MSN cohort who graduated in May 2018 is evidence of the program's success. In addition to clarifying its transfer policy and clinical credit allocation, we note with favor that a new Dean has been appointed for Colby-Sawyer's School of Nursing and Health Professions. The strong support of the Dartmouth-Hitchcock Health System that provides opportunities for MSN faculty and students to interact with local nursing professionals is beneficial, as is the additional funding secured for nursing scholarships that will help the College accomplish its goal of offering a "high quality, affordable option for the region's nursing workforce."

We remind you that, consistent with our Policy on Substantive Change, the Commission will wish to review any plans Colby-Sawyer College may develop to offer additional programs at the master's degree level. It is generally the case that before granting general approval at the higher degree level within the institution's range of academic offerings, the Commission expects to see developed capacity at the higher degree, success with initial programs, and, as appropriate, the development of an institutional culture supporting academic programming at the higher degree.

The College is asked to submit an Annual Report on Finance and Enrollment by January 7, 2019 for consideration in Spring 2019 so that the Commission can continue to monitor the institution's financial situation. The purpose of the ARFE report is to help the Commission determine whether the College continues to meet our standard on *Institutional Resources*, and the FY2018 audited financial statements, with management letter, are requested as verification of the institution's financial position. This request is in keeping with our standard on *Institutional Resources*:

The institution preserves and enhances available financial resources sufficient to support its mission. It manages its financial resources and allocates them in a way that reflects its mission and purposes. It demonstrates the ability to respond to financial emergencies and unforeseen circumstances (7.4).

The institution is financially stable. Ostensible financial stability is not achieved at the expense of educational quality. Its stability and viability are not unduly dependent upon vulnerable financial resources or an historically narrow base of support (7.5).

The institution's multi-year financial planning is realistic and reflects the capacity of the institution to depend on identified sources of revenue and ensure the advancement of educational quality and services for students (7.6).

The institution's financial planning, including contingency planning, is integrated with overall planning and evaluation processes. The institution demonstrates its ability to analyze its financial condition and understand the opportunities and constraints that will influence its financial condition and acts accordingly. It reallocates resources as necessary to achieve its purposes and objectives. The institution implements a realistic plan for addressing issues raised by the existence of any operating deficit (7.14).

A copy of the ARFE report procedures is enclosed for your information and use. Colby-Sawyer College is asked to submit four paper copies and an electronic copy (single, searchable pdf file) no later than January 7, 2019.

Commission policy requires an interim (fifth-year) report of all institutions on a decennial evaluation cycle. Its purpose is to provide the Commission an opportunity to appraise the institution's current status in keeping with the Policy on Periodic Review. In addition to the information included in all interim reports, the College is asked, in Fall 2020, to report on four

matters related to our standards on *Planning and Evaluation, Students, and Institutional Resources*.

The Commission is pleased to learn of the inclusive process Colby-Sawyer College used to develop its Strategic Plan 2018-2023 that was formally adopted by the Board in May 2018. By working through the shared governance process, “buy-in and momentum” were built around three “Promises to Students:” a sense of place, a personalized and holistic learning experience, and a transformative education. We understand a Strategic Planning Committee has been established and an institutional dashboard will be developed to monitor achievement of the goals of the strategic plan. In addition, academic and administrative departments are currently working to align their goals with the plan’s strategic goals and measures. As expressed in our standard on *Planning and Evaluation*, the Fall 2020 interim report will provide an opportunity for the College to provide evidence that it has “a demonstrable record of success in implementing the results of its planning” (2.5).

We recognize that one of the College’s strategic goals is to “establish and enhance the institution’s financial stability” by consistently balancing its operating budgets, achieving an annual fund goal of \$1.0 million, increasing alumni giving participation rate to 13% by FY2021, and growing the endowment to \$45 million by FY2023. Further, as part of its strategic plan, Colby-Sawyer intends to “develop and implement a capital improvement plan that addresses annual deferred maintenance costs and repaying long-term debt.” To accomplish this goal, a Board sub-committee has been established to assess and prioritize the College’s capital improvement and deferred maintenance needs. To date in FY2019, donations have already been secured for several projects on campus. As informed by our standards on *Students* and *Institutional Resources* (cited above and below), the Fall 2020 interim report will afford an opportunity for Colby-Sawyer to update the Commission on its progress to achieve a balanced budget with positive operating results and to develop a long-term plan to address the College’s deferred maintenance needs:

Consistent with its mission, the institution sets and achieves realistic goals to enroll students who are broadly representative of the population the institution wishes to serve (*Students*, Statement of the Standard).

The institution has sufficient and appropriate information, physical, and technological resources necessary for the achievement of its purposes wherever and however its academic programs are offered. It devotes sufficient resources to maintain and enhance its information, physical, and technological resources (7.21).

Finally, the College’s Strategic Plan 2018-2023 also includes a goal to “consistently attract and enroll a master’s of nursing cohort of at least twelve students.” To achieve this enrollment goal and ensure the program’s financial viability, we note that a 30-hour per week enrollment specialist “dedicated” to promoting the institution’s nursing programs, including the MSN program, has been added. We ask that the Fall 2020 interim report provide an update on the Master of Science in Nursing program, with emphasis on the College’s success in meeting the program’s enrollment and revenue goals. Our standard on *Institutional Resources* provides this guidance:

The institution planning a substantive change demonstrates the financial and administrative capacity to ensure that the new initiative meets the standards of quality of the institution and the Commission’s Standards (7.15).

Submission of the interim report in Fall 2020 will be followed by an evaluation visit by Commission representatives to validate its contents.

Dr. Susan D. Stuebner

October 22, 2018

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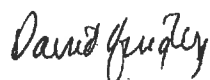
Finally, the scheduling of a comprehensive evaluation in Spring 2025 is consistent with Commission policy requiring each accredited institution to undergo a comprehensive evaluation at least once every ten years.

The Commission expressed appreciation for the reports submitted by Colby-Sawyer College and the evaluator and hopes that the evaluation process has contributed to institutional improvement. It appreciates your cooperation with the effort to provide public assurance of the quality of higher education in New England.

You are encouraged to share this letter with all of the institution's constituencies. It is Commission policy to inform the chairperson of the institution's governing board of action on its accreditation status. In a few days we will be sending a copy of this letter to Mr. Peter F. Volanakis. The institution is free to release information about the report and the Commission's action to others, in accordance with the enclosed policy on Public Disclosure of Information about Affiliated Institutions.

If you have any questions about the Commission's action, please contact Barbara Brittingham, President of the Commission.

Sincerely,



David Quigley

DQ/jm

Enclosures

cc: Mr. Peter F. Volanakis
Evaluator



Guidelines for Preparing the Annual Report on Finance and Enrollment (ARFE)

Through the Annual Report on Finance and Enrollment (ARFE), the Commission monitors affiliated institutions with fiscal and enrollment problems that may adversely affect their ability to continue to comply with the *Standards for Accreditation*.

Preparation of the ARFE report

An ARFE report consists of 4 components:

1. Completed Finance and Enrollment (F&E) Data Forms: Data forms are available on the Commission website (<http://cihe.neasc.org>) under "Institutional Reporting Guidelines and Forms." In preparing the forms, the institution should ensure that they are accurate and complete. The goal is to provide statistics and other information that can be easily analyzed and about which fair conclusions can be drawn. Any numbers that might appear to be anomalies, discrepancies, or apparent oddities should be explained in the narrative or through the use of appended materials.
2. Two years of audited financial statements (Note: Comparative financial statements satisfy this requirement.)
3. Auditor's management letter: Often referred to as the management letter, this includes any substantive communication from the auditors regarding material internal control weaknesses and significant deficiencies or recommendations to the institution about its financial systems or internal control practices. If those recommendations were provided in a PowerPoint or other presentation, the presentation may be substituted. If no management letter was provided, please provide a letter from the auditor stating that fact.
4. Narrative discussion (no more than 10 pages) of the institution's finances and enrollment: The narrative component of the report is critical: it is the means by which the institution demonstrates to the Commission that it understands its situation and that it is developing realistic plans and taking concrete action to address its challenges. In completing the narrative, an institution should include information in enough detail to assure that the Commission has the opportunity to develop a full understanding of the institution's fiscal and enrollment situation. The Commission's review will focus on whether or not the financial condition of the institution has stabilized and/or improved and the likelihood of continued improvement.

The Commission expects that the narrative will:

- Explain efforts taken since the last Commission review to respond to noted fiscal concerns and provide detail about the outcomes of those efforts;
- Identify institutional strengths and challenges with regard to finances and enrollment, and describe the institution's plans to enhance and strengthen available resources;
- Describe the Board's involvement in financial planning and monitoring;

- **F&E Forms and Audited Financial Statements.** Provide an analysis of the financial condition and operating results of the institution, including an explanation of any calculated variance of more than 10% between the last audited budget and the current budget. This summary should include an examination of the institution's:

Statement of Financial Position – Assess the institution's available working capital, investments, physical plant, debt, and net assets (i.e., unrestricted, temporarily restricted, and permanently restricted).

Statement of Revenues and Expenditures – Analyze the institution's operating results (surplus or deficit), to include trends in net tuition, other significant income and operating expense lines, income from operations, and non-operating items.

Statement of Cash Flows – Provide an explanation of the institution's cash flow changes that resulted from its operating, investing and financing activities.

Enrollment – Analyze the institution's enrollment history and its projections for future enrollment, and describe the institution's plans for achieving its goals.

In addition, the Commission may have indicated in its correspondence with the institution, specific areas to be addressed in the ARFE report. Typically these matters relate to finance and enrollment. Discussion of these specified items should be included within the narrative of the report, recognizing that addressing these items will lengthen the report.

Institutions may also be asked to submit supplemental information on their academic program and support for students, in a format to be determined by the Commission.

Submission of the report

An electronic version (single, searchable pdf file) of the entire ARFE report and four (4) hard copies (duplicated double-sided on three-hole paper) should be provided to the Commission by December 1. Please no stapling or binding of the report. Use sheets of colored paper to separate the copies sent to the Commission office.

Site Visit

The Commission may ask that the submission of the report be followed by a limited site visit to validate its contents. Most often, such visits will be undertaken by a single evaluator in one day and will occur as soon as practical after the completion of the report, with the evaluator having had sufficient time to review the report prior to his/her arrival on the campus. Procedures for the site visit and Commission review will be essentially the same as those for other evaluations. However, the evaluator's activities will probably be limited to interviews with appropriate institutional administrators who deal with fiscal and enrollment matters and the review of relevant institutional documents. The evaluator will provide the institution with an oral report at the conclusion of his/her visit.

Review of Reports

The review of ARFE reports is initially undertaken by a committee of individuals with expertise in institutional finance. The committee makes recommendations to the Commission, which takes final action.

*Spring 2002
Revised Fall 2007
Revised Fall 2008
Revised April 2009
Revised July 2012
Revised April, 2014
Editorial revisions June 2015*