APPENDIX A

HLC Letter to President Cross, October 31, 2017
October 31, 2017

VIA ELECTRONIC MAIL

Dr. Raymond Cross, President
University of Wisconsin System
1700 Van Hise Hall
1220 Linden Dr.
Madison, WI 53706

Dear President Cross:

The Higher Learning Commission ("HLC" or "the Commission") was recently apprised of the proposed restructuring of the University of Wisconsin System ("the System"). Earlier this month, the System announced its intentions to integrate the University of Wisconsin Colleges ("the Colleges"), currently overseen by the System with its campuses accredited as a single entity by HLC, into the System’s four-year universities ("the universities", collectively) as branch campuses.1 Following the restructuring, the Colleges will resign its separate accreditation with HLC and its former campuses will be accredited under the status of the respective universities. Further, the proposal also includes a reassignment of the University of Wisconsin-Extension within the System’s structure. This letter serves to provide information about HLC’s review process regarding such proposals.

Under HLC policy INST.B.20.040, Change of Control, Structure, or Organization, an institution is required to seek approval from the Commission prior to undergoing a transaction that may affect the structure or governance of an affiliated institution. Based on the preliminary information from the System regarding this proposal, HLC staff have concluded that this restructuring constitutes a change of structure under policy, and is therefore subject to review. Approval prior to the restructuring is necessary to ensure the continued accreditation of the System’s institutions that are parties to this restructuring.

Under HLC policy INST.F.20.070, Processes for Seeking Approval of Change of Control, staff are provided discretionary authority to determine the appropriate review mechanism for a proposed transaction, within the boundaries set forth in said policy. Because this proposal entails a state-wide restructuring of the oversight authority of nine HLC-accredited institutions (and the University of Wisconsin-Extension), staff have determined that a desk review by HLC staff and appropriate peer

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1 The proposal does not impact the following System institutions: UW – La Crosse, UW – Parkside, UW – River Falls, UW – Stout, and UW – Superior.
reviewers is the most prudent review mechanism for this transaction. A Fact-Finding Visit to the System and its institutions will not be conducted at this time.

As part of the review process, an institution is typically required to submit its own application for change of structure to the Commission. Given the nature of this proposal, however, the Commission will accept a single, joint application that is applicable to all institutions involved in the restructuring. It should be noted that while the System will largely oversee the preparation of this application, the separately-accredited universities that are seeking to add branch campuses should participate collaboratively in this process.

For your convenience, copies of HLC’s policies on Change of Control, Structure or Organization are enclosed. The policies outline the approval process for the restructuring and the materials to be reviewed by HLC. To further assist the System and its institutions in preparing the application, the Commission’s procedure on Change of Control, Structure, or Organization is also enclosed.

As you will find noted in the procedure document, not every document listed applies to every transaction that is subject to HLC’s policy on Change of Control, Structure, or Organization. Generally, based on HLC’s cursory review of the System’s announcements regarding the proposal, the System should anticipate submitting an application that includes the following information:

- Part A: General Introduction, which should succinctly explain the basis for the proposal, an overview of any required approvals, an anticipated timeline for the restructuring, and a broader overview of the direction of the System following its restructuring.

- Part B: Transactional Documents, with particular focus on the following:
  - Item 1: The resolution adopted by the Board of Regents approving the restructuring;
  - Item 2: New governance documents, if any, that will arise out of the restructuring, at both the System and institutional levels;
  - Item 5: Confirmation from the U.S. Department of Education that review/approval is not required. [Note: Effective February 2017, HLC policy requires confirmation, via email or letter, from the Department that review is not needed to ensure Title IV continuity; because HLC cannot assume the Department’s stance on any given transaction, policy requires this confirmation to be received before the HLC Board of Trustees reviews an application for Change of Control, Structure, or Organization.]
  - Item 6: The two most recent System-wide audits, the budget for the two most recent fiscal years, and two years of anticipated budgets following the restructuring. The budgets must provide sufficient detail regarding the current and post-restructuring operations at the universities; and
  - Item 7: Current and proposed organizational charts for the System and the universities.

- Part C: Institutional Statement, with particular focus on the following:
  - Item 1: Explanation of the alignment of the missions of the Colleges and of the universities;
o Item 2: Explanation of the continuity of educational programs to be offered following the restructuring;

o Item 4: Post-restructuring enrollments at each university, with delineation by department and by modality;

o Item 5: The revised enrollment and recruitment projections for each institution following the transaction, by semester;

o Item 7: Evidence of revised planning processes at the System and universities following the restructuring. This should include detailed information regarding plans to address enrollment declines and assure financial integrity at the universities;

o Item 8: Short-range and long-range strategic plans for the System and universities following the restructuring;

o Item 9: Explanation of the impact of the revised structure on the System and on each university following the restructuring;

o Item 13: Regarding continued compliance with the Eligibility Requirements, Assumed Practices, and Criteria for Accreditation at each university (note that these sections can be completed in summary form and need not provide extensive detail about any specific institution unless there are specific considerations for that institution that need to come to HLC’s attention);

o Item 15: Any additional information the System, Colleges, and universities believe the Commission needs to review regarding the proposal.

When preparing the application, please ensure that the application includes statements about how the individual universities will continue to meet the Criteria for Accreditation, each Core Component, and each Eligibility Requirement following the restructuring. As noted above, many of these statements can be brief and can apply to the universities as a collective. The application should also address the effect of this restructuring on governance, finances, and planning at the individual universities. The universities, with the exception of University of Wisconsin – Stevens Point\(^2\), will also need to include branch campus applications with the larger application for each respective new branch campus following the restructuring.

The Commission will conduct the desk review of the application with the assistance of a team of peer reviewers. Dr. Jeffrey Rosen, the HLC Staff Liaison for several of the universities involved in the restructuring, will lead the review process. Dr. Rosen and staff have identified a suitable group of peer reviewers for this review. The Evaluation Summary Sheet (“ESS”) and Professional Data Reports (“PDRs”) are enclosed for your review. The ESS lists the names of the reviewers and their institutional affiliations, and the PDRs provide additional information about each reviewer. Each institution that is part of this transaction has a separate ESS that lists the institution’s CEO and secondary contact, so please check the accuracy of this information and inform Dr. Rosen if any changes need to be made. The Commission has identified a set of reviewers with expertise and experience appropriate to the nature of this application. If, however, you believe that either team member presents a conflict of interest, please let us know as soon as possible but, no later than November 7, 2017.

\(^2\) UW – Stevens Point is the only institution approved for the Notification Program for additional locations in this proposal.
The System has stated its intention to begin restructuring in mid-2018. If this is the case, the universities will need to receive approval from the HLC Board of Trustees at its February 2018 meeting. Therefore, the Commission must receive the application for Change of Control, Structure, or Organization as soon as possible, but no later than November 24, 2017. The peer review team and Dr. Rosen will begin review of the application as soon as it is received.

The Commission will maintain the current comprehensive evaluation schedules for the institutions involved in the restructuring. If the application is approved by the HLC Board of Trustees, HLC may modify visit dates to accommodate the post-approval focused visit that is required by policy and federal regulation. Additional clarification will be provided regarding evaluative schedules as the institutions proceed through this process.

Thank you for your cooperation. Please feel free to contact Dr. Rosen if you have any questions.

Sincerely,

Karen L. Peterson Solinski
Executive Vice President for Legal and Governmental Affairs

Enc:  HLC Policies on Change of Control, Structure, or Organization
      HLC Procedure on Change of Control, Structure, or Organization
      Document and Submission Guidelines
      Evaluation Summary Sheets
      Professional Data Reports

Cc:  Cathy Sandeen, Chancellor, University of Wisconsin Colleges
     James Schmidt, Chancellor, University of Wisconsin – Eau Claire
     Gary Miller, Chancellor, University of Wisconsin – Green Bay
     Rebecca Blank, Chancellor, University of Wisconsin – Madison
     Mark Mone, Chancellor, University of Wisconsin – Milwaukee
     Andrew Leavitt, Chancellor, University of Wisconsin – Oshkosh
     Dennis Shields, Chancellor University of Wisconsin – Platteville
     Bernie Patterson, Chancellor, University of Wisconsin – Stevens Point
     Beverly Kopper, Chancellor, University of Wisconsin – White Water
     Thomas Bordenkircher, Vice President for Accreditation Relations, Higher Learning Commission
     Barbara Johnson, Vice President for Accreditation Relations, Higher Learning Commission
Jeffrey Rosen, Vice President for Accreditation Relations and Director of the Open Pathway, Higher Learning Commission
Karen Solomon, Vice President for Accreditation Relations and Director of the Standard Pathway, Higher Learning Commission
Anthea Sweeney, Vice President for Accreditation Relations, Higher Learning Commission