

Timeline of Events/How Did We Get Here?

Jean Hanson

For those of you who don't know me, I am Jean Hanson. I am a member of the Board of Regents. I joined the Board of Regents in 2005 and served until 2015, when I left the Board due to term limits. During the last years that I was on the Board, I was the Board Chair.

I saw the college through many ups and downs during those 10 years.

After having been off the Board for three years, I was asked if I would rejoin the Board. I enthusiastically said "yes". Although I am not an alum, I am the product of a Lutheran higher education—I graduated from Luther College in Decorah, Iowa—and I am, and have always been, a huge proponent and supporter of Lutheran higher education. I believe that the value that Lutheran higher education brings is *unique* in the landscape of higher education and is so needed in our confused and confusing, seemingly anchorless world.

That is among the reasons that the decision about the future of the college is particularly difficult for me. This is a loss on many, many levels.

I rejoined the Board in 2019, just two years ago. In June of 2019, just four months later, the accreditor of the College—the Middle States Commission on Higher Education—placed the college on probation for failure to meet two of the accreditor's standards, one of which (Standard VI, Planning, Resources and Institutional Improvement) related to the college's financial position and viability.

The fact that the college was placed on probation by its accreditor was a matter of public record. It was written up in the paper and on social media, and included on the college website. Without achieving the financial standards that the accreditor required, the college's future was in jeopardy.

The Board decided that it had to undertake a process to review all legitimate alternatives available to the college that were consistent with achieving a sustainable, faith-oriented operating model. The Board formed the Strategic Alternatives Committee to do that work. The Strategic Alternatives Committee has been working for more than a year.

The Strategic Alternatives Committee was tasked with identifying every possible alternative for the college to reach the goal of being financially viable. The committee developed seven strategic alternatives. They included:

1. To continue the college as an independent institution affiliated with the LCMS:
2. To limit or reduce the college's program offering to those with strong profitability
3. To reduce costs and partner with another CUS school to deliver programs and for back office support
4. To merge or combine with another CUS school
5. To partner with a non-CUS institution on a range of collaboration opportunities
6. To merge or combine with a non-CUS institution,
7. And last, and least preferable, orderly closure

The Board's goal was to find a viable path for the college and to avoid, if at all possible, a precipitous, unplanned and uncontrolled closure.

The Committee worked through the spring and summer exploring each of the options in depth. In June, the Board hired counsel to assist with the process. They brought in financial expertise to help.

During that time, preliminary discussions took place with a number of colleges to discuss possible affiliations, joint programs, partnerships, mergers and other possible relationships. Discussions took place with other CUS institutions on all of the various possibilities.

By the end of July, a number of options had fallen away because they were not sufficient to put the college in "good standing" with its accreditor. The options remaining were to continue as an independent institution, to merge or combine with a CUS institution or to merge or combine with a non-CUS institution.

By the end of August, it became clear that a merger or combination with another CUS institution would not be possible, for a variety of reasons. Despite the CUS system's desire to help, there was no collaboration or merger possible that would be substantial enough to financially sustain the college to meet the accreditation standard. Notwithstanding that, the college continued to pursue the possibility of joining with another CUS institution through this January, right before the Board met.

In the fall, as the only viable option was boiling down to a transaction with Iona, a possible alternative emerged that, if fruitful, would allow the college to remain independent. That was, of course, the preferred outcome, and that alternative was pursued vigorously.

During November and December, both of those options, Iona and independence, were pursued simultaneously to ensure that the college had at least one option to choose.

The Board's decision making was being pressed for time because of the need to start the process to obtain regulatory approvals if Iona was to take over the college in the fall. We understood from counsel that the regulatory process had to begin by early February at the very latest if there were to be any chance that Iona would be able to take students for next fall's semester.

As that was becoming clear, the proposal for the independence of the college faltered. The college was left with only the proposal from Iona, although work continued to be done to revive the independence alternative in the days before the Board's decision.

In the meantime, the Negotiating Committee that had been appointed by the Board in October to negotiate with Iona was engaged in obtaining the best terms possible to present to the Board.

At the same time, Middle States, Concordia's accreditor, visited the college in early January and affirmed its conclusion that the college was not in compliance with Standard VI, financial viability, assuring continuing probation if not something worse.

With all of that as the landscape—the independence proposal having fallen away, with no possibility of a transaction with another CUS institution, with the accreditor having affirmed the non-compliance conclusion on financial viability--the Board met over the course of four days starting January 19. After many hours and much discussion and prayer, the Board voted that the college would close after the spring semester, that it would proceed on a formal agreement with Iona College to provide continued education for Concordia's students, and to sell Concordia's Bronxville campus to Iona.

This was an extremely difficult decision for the Board of Regents. However, it was the result of a deliberative, thoughtful and strategic process, that was informed by the realities of the situation. The college has been subject to the difficulties in the changing and broadly challenged higher education industry. And the college's financial shortfalls have been further

accelerated by the global pandemic. But the pandemic was by no means the sole cause of the situation the college has found itself in.

As President Nunes said in the press release announcing the decision: “This outcome brings deep pain to all of us who care for Concordia, and in whose hearts Concordia will always live.”