

***FINAL REPORT FOR A
FOCUSED VISIT FOR CHANGE OF CONTROL***

Assurance Section

TO

**ST JOHN'S UNIVERSITY
Collegeville, Minnesota**

October 29-30, 2012

The Higher Learning Commission
A Commission of the North Central Association of Colleges and Schools

EVALUATION TEAM

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ASSURANCE SECTION

CONTENTS

I. Context and Nature of Visit	3-6
II. Evaluation of Documentation Supporting Organization's Implementation of Change of Control	6-15
III. Statement of Affiliation Status	16

I. CONTEXT AND NATURE OF VISIT

A. Purpose of Visit: Requested Change

This visit was focused on and generated by the institution's application for a change of control. The governing Higher Learning Commission (HLC) policy and actions for this visit are: *HLC Policy 3.3(d) 2 Focused or other evaluation after the transaction (post-transaction visit) ...*

“The evaluations will review the appropriateness of the approval of the change as well as whether the institution met any commitments made to the Commission prior to the approval. The evaluation team will also document that the institution continues to meet Eligibility Requirements and Criteria for Accreditation or candidacy requirements as applicable.”

B. Accreditation Status

Saint John's University has been accredited by the HLC since 1950. The last comprehensive evaluation took place in 2008-09 and the next comprehensive evaluation is scheduled in 2017-18 (per action of the HLC Board Nov. 1, 2012). Saint John's University offers 37 Bachelor's degree programs in liberal arts and sciences and professional/technical areas. It also has a seminary that offers six Master's degree programs in such fields as Divinity, Liturgical Music, and Pastoral Ministry. The seminary is also accredited by the Association of Theological Schools (“ATS.”) The University works in partnership with the College of Saint Benedict, a nearby women's college to offer its courses and programs; however the College has no direct corporate relationship with Saint John's University.

C. Institutional Context

Saint John's University is an institution of higher education for men operating within the spiritual and religious traditions of the Roman Catholic Church. Prior to the Change of Control, Saint John's University was an operating division of the Order of Saint Benedict. The Order of Saint Benedict is a monastic order affiliated with the Roman Catholic Church; the Order founded Saint John's Abbey in 1856 as a religious community of men following the Rule of Saint Benedict. The Abbey initially founded Saint John's Seminary and later Saint John's Preparatory School and Saint John's University.

D. Special Conditions and Contractual and Consortia Arrangements

The Change of Control was from the Order of Saint Benedict, referred to as “The Abbey”. Saint John's University incorporated in October 2011 as a not-for-profit corporation in Minnesota (“University Corporation”) and it has 501(c) 3 status. Transfer of assets from the Abbey to the Saint John's University Corporation took place on July 1, 2012. While the

Final Report

intent of the transaction has been to create a separate corporation for the University, the intent was not to separate from the Abbey. The Abbey and the University have executed a Sustaining Agreement that demonstrates the commitment of each party to maintaining a supporting relationship with the other. The Agreement makes clear that, while the intent of the parties is to create independent legal status for the University, for the purposes of its position in the Roman Catholic Church structure the University retains its status as a part of the Saint John's Abbey.

E. Approvals Obtained

The Change of Control process required notification and approval of these external groups; US Department of Education, the Minnesota Office of Higher Education and the Commission on Accrediting of the Association of Theological Schools as well as the Higher Learning Commission. Letters of approval from each required organization were included in the Application. In addition the Application included specific details and documentation on how the different internal approval processes were obtained.

F. Unique Aspects of Visit.

This visit was focused on and generated by the institution's application for a change of control. The June 29, 2012 HLC approval letter to Saint John's University President Koopmann states that approval is "subject to the condition that, as required by Commission policy and federal regulation, the University host a visit within six months of the approval date focused on ascertaining the appropriateness of the approval and the University's compliance with any commitments made in the Change of Control Application as well as the Eligibility Requirements and Criteria for Accreditation. That focused visit will also include a special focus on the University's bylaws and governance structures as outlined in the Staff Summary Report."

A unique aspect of this visit is the timing of the visit and the HLC transitions to the new Criteria for Accreditation and Assumed Practices. There are conflicting messages to Saint John's University (and to the Team) as to which criteria for accreditation need to be followed for this report. Saint John's University's response in May 2012 to the HLC Staff report pointed out the conflicting statements about the Criteria for Accreditation in the Staff Report Summary. The following statement on the timeline for implementation appears on the HLC website. *All Change of Control requests submitted on or after September 1, 2012, will address the revised Criteria.* The application for this Change of Control was made in December 2011 under the current Criteria for Accreditation, and all of the documents related to the Change of Control application, including the October 5, 2012 materials for the Team visit sent by Saint John's University to HLC and the Team chair use the current Criteria. This report will focus on the substance of the issues raised for the Team Visit but will use the Revised Criteria and Assumed Practices which will go into effect on Jan. 1, 2013 as requested in the conclusion of the Staff Summary Report with links to current Eligibility Requirements and the five Criteria for Accreditation and the supporting Core Components.

Final Report

G. Interactions with Organizational Constituencies

Team members met with the following:

1. President, Saint John's University
2. Board of Trustees Chair, Vice Chairs and Executive Committee members
3. Abbot, Saint John's Abbey
4. Canonical Treasurer, Saint John's Abbey
5. President, College of Saint Benedict
6. Provost
7. Executive Assistant to the President
8. Vice President for Institutional Advancement
9. Vice President for Finance and Administration
10. Vice President for Admission and Financial Aid
11. Vice President for Research, Planning and Public Affairs
12. Vice President for Student Development
13. Dean, School of Theology/Seminary
14. Executive Director, Hill Museum and Manuscript Library
15. Dean of Admissions
16. Academic Dean
17. Faculty Senate Executive Committee members

H. Principal Documents, Materials, and Web Pages Reviewed

1. Saint John's University Change of Control Application to HLC
2. Correspondence between HLC and Saint John's University regarding Application
3. HLC request for additional information to support application
4. Saint John's University supplemental application material
5. HLC Staff Report on Change of Control Application
6. Saint John's University response to HLC Staff Report
7. HLC and Saint John's correspondence on HLC approval process of Change of Control
8. Implementation Letter for Team visit from Dr. Michael Hemesath, October 5, 2012
9. Legal Opinion from Gray, Plant, Mooty, October 4, 2012 (7 pages)
10. Letter from Chair of the Class A members of the SJU Corporation supporting the general authority of the Board for management and direction of the business and affairs of SJU.
11. Related US Department of Education Correspondence
12. Related Minnesota Office of Higher Education Letter

Final Report

13. Related correspondence from Commission on Accrediting of the Association of Theological Schools.
14. Sustaining Agreement Saint John's University & Order of Saint Benedict or Saint John's Abbey
15. Transaction Documents.
16. Articles of Incorporation
17. Bylaws
18. Financials
19. Corporate Structure
20. Organizational Charts
21. Strategic Directions 2015 Plan
22. Communication and Marketing Plan
23. HLC 2008-09 Comprehensive Visit Team reports
24. HLC 1998-99 Comprehensive Visit Team reports
25. Self Study for 2008-09 Comprehensive Visit
26. Minutes Saint John's University (Successor) Board of Trustees May 21, 2012 meeting
27. Minutes Saint John's Board of Trustees Sept. 28, 2012 meeting
28. Presidential Search Profile
29. Saint John's University web pages. <http://www.csbsju.edu/>
30. Audited balance sheet of Saint John's University as of July 1, 2012

II. EVALUATION AND DOCUMENTATION SUPPORTING ORGANIZATION'S IMPLEMENTATION OF CHANGE OF CONTROL

A. Statement of Focus

The following statement from the June 29, 2012 HLC approval letter to President Koopmann outlines the focus of this visit:

... the University host a visit within six months of the approval date focused on ascertaining the appropriateness of the approval and the University's compliance with any commitments made in the Change of Control Application as well as the Eligibility Requirements and Criteria for Accreditation. That focused visit will also include a special focus on the University's bylaws and governance structures as outlined in the Staff Summary Report.

The following excerpts from the May 4, 2012 Staff Summary Report provides a similar more specific focus for the visit.

(Criterion One--Staff Summary Report page 12)

Criterion One - The organization operates with integrity to ensure the fulfillment of its mission through structures and processes that involve the board, administration, faculty, staff, and students.

While it appears to be likely that the University will continue to meet Criterion One, including all Core Components, after the transaction, it will be important for the Commission to examine after implementation of the new structure how various

Final Report

parties exercise authority. As such, specific direction in this regard is provided in the conclusion of this document so as to ensure that University activities related to Criterion One are conducted in concert with the Commission's expectations.

(Conclusion --Staff Summary Report page 16)

The information provided in the University's Change of Control application indicates that the University can remain in compliance with the Commission's Eligibility Requirements and Criteria for Accreditation after the transaction. There are to be no changes in the mission, educational programs, faculty or students and great continuity in the institution and its outreach subsequent to the restructuring.

The University is scheduled for a comprehensive evaluation in 2017-18 and will be scheduled for a focused evaluation within six months (or not later than January 2013) to review the immediate impact of the restructuring on the University and its capacity to continue to meet the Commission's Criteria for Accreditation and Eligibility Requirements. Because this visit will take place after September 1, 2012, the new Criteria for Accreditation and Assumed Practices will be in effect for this visit because the visit is related to a Change of Control.

1. At the time of that evaluation, the team should review the University Bylaws to ensure that changes have been made to that document to outline with greater specificity the authorities of the University Board of Trustees particularly relative to its approval of the operating budget as required by Assumed Practice A.9; the team should also review whether the presidential appointment authority as exercised by the University meets the expectations of that Assumed Practice.
2. Finally, the team should also review whether the pattern of decision-making of the Board under the new structure reflects the independence and autonomy anticipated by the Commission's new Criterion Two, Core Component 2.C. and that the Board is appropriately engaged in providing effective leadership as required by Criterion Five, Core Component 5.B.

(Criteria One--Staff Summary Report page 12)

While the current network of administrators appears appropriate, it is important to note that the assignment by the Bylaws to the Trustees of the discretionary right to appoint senior administrators may raise questions about whether the President has sufficient authority to hire and fire his executive team.

B. Statements of Evidence

- 1. Assumed Practice A.9; The governing board has the authority to approve the**

Final Report

annual budget and to engage and dismiss the chief executive officer.

At the time of that evaluation, the team should review the University Bylaws to ensure that changes have been made to that document to outline with greater specificity the authorities of the University Board of Trustees particularly relative to its approval of the operating budget as required by Assumed Practice A.9; the team should also review whether the presidential appointment authority as exercised by the University meets the expectations of that Assumed Practice.

The Team, after discussion with various constituents including the Abbot and Canonical Treasurer of Saint John's Abbey, the Chair, Vice Chairs and other members of the Saint John's University Board of Trustees, the President, members of the President's Cabinet, and members of the Faculty Executive Committee found universal agreement that the Change of Control was fully supported by all constituents. All reported that the processes leading to the Change of Control were transparent to all groups at Saint John's University. Detailed knowledge of and interest in the actual steps involved in the implementation of the Change of Control was found primarily in the parties directly involved in the legal and financial aspects of the Change. A common theme heard among the constituents was that the Change of Control was merely a "codification" of existing patterns of control and governance by the Board of Trustees with some changes in the processes by which the president is selected. Most groups were aware of the change but reported it had no impact on their day to day work or involvement with the institution. For example, all of the groups involved in budget preparation stated that budget processes have not changed at all since the Change of Control.

The Board Chair, also an attorney, in meetings with the Team explained that the bylaws governing Saint John's University Corporation were drawn up in accordance with Minnesota laws governing 501(c) 3 nonprofit corporation practices. It is the understanding of the Team, that Minnesota law limits the power and authority of members of a non-profit corporation to only areas listed in bylaws and that all other powers for management, finances, and governance of the corporation rest with the corporation board. Specifically it seems under Minnesota law that members do not have fiduciary responsibilities for the corporation and fiduciary responsibilities are vested in the board. The major focus of decision making powers of the members in the bylaws seems to be limited to the area of ownership of the land and buildings on the Saint John's University campus. The Abbot and the Canonical Treasurer of Saint John's Abbey who are Class A members of the Corporation also stated this same view of Saint John's University. Discussion with the President of the College of Saint Benedict which operates in partnership with Saint John's University confirmed that this similar separation of corporate control had been implemented at the College many years earlier and that the Change of Control has brought Saint John's University to a similar independent corporate control structure to that which is in place at the College of Saint Benedict.

Final Report

The newer documents supporting implementation reviewed by the Team included the institution's legal opinion by Gray Plant Mooty, Mooty & Bennett, P.A. (GPM) explaining existing Minnesota laws concerning nonprofit corporations and the roles of nonprofit corporation members and boards. The Team also reviewed a letter of support of this legal opinion by the Chair of the Class A members of the Saint John's University Corporation which states in part:

1. SJU is a duly organized Minnesota nonprofit corporation governed by the provisions of the Minnesota Nonprofit Corporations Act (Act).
2. The Act vests SJU's Board of Trustees with general power and authority over the management and direction of the business and affairs of SJU.
3. As drafted, SJU's Articles of Incorporation and Bylaws provide the Board with the authority necessary to take the actions required to maintain compliance with the HLC Criteria for Accreditation, including the authority to approve operating budgets and audits, development and approval of the strategic plan, and development and approval of SJU policies applicable to University operations.

The Team found the most compelling evidence demonstrating the authority of the Board of Trustees of the new Saint John's University Corporation in the exercise of its presidential appointment authority. Before the Change of Control, presidents of Saint John's University had always come from the members of the monastic community. Michael Hemesath became the 13th president of Saint John's University on July 1, 2012. A 1981 SJU graduate, Hemesath is the first layperson appointed to a full presidential term at SJU.

The Team had lengthy discussion with Board members, the members of the Board who served on the Presidential Search Committee, the Abbot, and the Faculty Executive Committee members about the search process that led to the new President's appointment. While the process was completed under the previous controlling corporation Saint John's Abbey, everyone the Team spoke with concurred that this fact demonstrated that the implementation of the Change of Control was in fact legal recognition of existing practices at Saint John's University. The Change in Control was planned for and implemented in response to concerns about clarity in the governance structure at Saint John's University raised by Higher Learning Commission Teams in the past two comprehensive visits. However, the presidential search process also was developed in a manner which demonstrated the positive impact of the Change of Control that took place on July 1, 2012. The faculty in particular spoke about the openness of the presidential search process and how involved they were in the process. When asked about how the Change of Control implementation had affected their work at Saint John's University the faculty clearly stated that the only noticeable impacts had been positive. Faculty enthusiastically spoke about having a voice and actively participating in the presidential search process. They also stated that this was a big change from the processes used in

Final Report

previous presidential appointments where they had not been able to play much of a role. Members of the Faculty Executive Committee who also serve as faculty representatives to the Board also stated that in their view, the Change of Control had focused the Board's priorities more centrally on Saint John's University issues.

The Team also reviewed the Presidential Search Profile developed by St John's University for this process. The various constituent groups the Team spoke with also participated in developing this profile. The groups involved in developing the profile stated that the process itself was a demonstration of a new spirit of renewal and vitality at Saint John's University. Finally, the Team reviewed the minutes of the (Successor) Board of Trustees' meeting of May 21, 2012 which approved the transaction between the Order of Saint Benedict and Saint John's University. At this meeting the Board of Trustees also ratified the March 28, 2012 presidential appointment of Michael Hemesath by the Board of Regents (the pre-transaction board).

The opinion of the Team is that the above evidence demonstrates that the authority of the University Board of Trustees relative to its approval of the operating budget and its presidential appointment authority meet the expectations required by Assumed Practice A.9

2. Criterion Two. Integrity: Ethical and Responsible Conduct

***Core Component 2C.* The governing board of the institution is sufficiently autonomous to make decisions in the best interest of the institution and to assure its integrity.**

- 1. The governing board's deliberations reflect priorities to preserve and enhance the institution.**
- 2. The governing board reviews and considers the reasonable and relevant interests of the institution's internal and external constituencies during its decision-making deliberations.**
- 3. The governing board preserves its independence from undue influence on the part of donors, elected officials, ownership interests, or other external parties when such influence would not be in the best interest of the institution.**
- 4. The governing board delegates day-to-day management of the institution to the administration and expects the faculty to oversee academic matters.**

While the current network of administrators appears appropriate, it is important to note that the assignment by the Bylaws to the Trustees of the discretionary right to appoint senior administrators may raise questions about whether the President has sufficient authority to hire and fire his executive team. (Criteria One--Staff Summary Report page 12)

Final Report

The Team's discussions with members of the Saint John's University Board of Trustees, the President, members of the President's Cabinet, and members of the Faculty Executive Committee, the Abbot and the Canonical Treasurer focused on Criterion Two issues of integrity—ethical and responsible conduct. The Team heard a similar story from the various constituent groups about the process. It was clear to the Team that the work of all the constituent groups at Saint John's University that led to the Change of Control was deliberate and aimed at building consensus for the change. Some Board members, members of the President's Cabinet, and faculty members joked about how this process had taken almost 15 years since the 1998-99 HLC Team recommended that the institution seek to clarify its governance structure. The Team heard this described as "Benedictine time." However, it was clear to the Team that the time taken to build a consensus for the change of control did allow the process to include both internal and external constituency groups and was designed to enhance and preserve the institution. The Team heard unqualified support for the change from all groups. The Sustaining Agreement between the Abbey and the University demonstrates the primacy of maintaining the historical interrelationships between the University and the Order of St Benedict.

The concern raised in the Staff Summary Report about the provision in the Bylaws for the Board to have the right to appoint senior administrators was investigated by the Team. Article 7 of the Bylaws discusses Officers of the University. 7.07 Administrative appointments - gives the Board of Trustees the right to appoint such senior administrators as it deems necessary. This was discussed with the Chair and Vice Chair of the Board who clarified that this provision was in place so that the Board of Trustees would have the right to appoint an administrator to perform work specifically for the Board of Trustees for example in setting up special Board activities like fund raising events for a major capital campaign. While this work is often performed by the President's staff, the Board wanted to have the option to make an administrative appointment for its work outside the President's office if it was deemed necessary. The Board members did not anticipate using this provision but it was their understanding that this was a standard provision included in bylaws in case the need might arise in the future. This same section 7.07 goes on to state "Such administrators shall not be considered officers of the University". Team members did not see this provision in the Bylaws as infringing on the authority of the President to hire and fire members of the President's Cabinet or executive team.

The opinion of the Team is that the above evidence demonstrates a pattern of decision-making by the Board under the new structure that reflects the independence and autonomy of Criterion Two. Integrity: Ethical and Responsible Conduct and in particular demonstrates evidence of Core Component 2C.

Criterion Five. Resources, Planning, and Institutional Effectiveness

Final Report

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.

- 1. The institution has and employs policies and procedures to engage its internal constituencies—including its governing board, administration, faculty, staff, and students—in the institution's governance.**
- 2. The governing board is knowledgeable about the institution; it provides oversight for the institution's financial and academic policies and practices and meets its legal and fiduciary responsibilities.**
- 3. The institution enables the involvement of its administration, faculty, staff, and students in setting academic requirements, policy, and processes through effective structures for contribution and collaborative effort.**

As this was a focused visit for Change of Control, the Team did not look specifically at resources, planning, and institutional effectiveness outside of the scope of the Change of Control implementation. As was stated previously, the consensus building that had gone on in preparing Saint John's University for the Change was a model of collaboration among the constituent groups that were involved in the Change. This Change of Control primarily involved governance at the level of the corporate entities, governing board, and administration at Saint John's University and to a lesser degree faculty and staff involved in governance of the institution. The Change of Control resulted in changes in the policies and procedures of the governing board, not in the policies and procedures for the other internal constituencies involved in the governance at Saint John's University.

While administration, faculty, staff, and students were aware of the Change of Control implementation at Saint John's University and had discussion about the proposed change previously, all the constituents that the Team spoke with stated that the Change had had no real impact on their day to day work at the institution. When asked what their peers who have not been involved in governance would likely say about how the Change has been implemented, every person said that nobody has said anything or noticed any changes, that the implementation has been totally transparent to most everyone at Saint John's. The Team made the decision not to speak with students about the Change implementation in the spirit of "doing no harm". Since the Change had taken place over the summer when students were away and there were no apparent changes in the lives of students at Saint John's University, the Team decided that asking students about the Change would not provide any meaningful information about its implementation. However, speaking with students did have the potential of causing concern about

Final Report

the institution and their relationship with the Abbey so the decision was made not to speak with students.

Administrators, faculty, and staff who worked with the Board directly were unanimous in stating that the Change of Control had brought a much more collaborative tone to their interactions with the Board mostly because the Change is perceived as, and has, shifted the Board's focus more directly to Saint John's University.

The opinion of the Team is that the above evidence demonstrates that the Board is appropriately engaged in providing effective leadership as required by Criterion Five, Core Component 5.B.

3. Eligibility Requirements and Criteria for Accreditation.

The Team reviewed the Staff Summary Report on Eligibility Requirements and asked questions about the Eligibility Requirements during the visit. Following the implementation of the Change of Control, Saint John's University demonstrates its continued capacity to meet the Commission's Eligibility Requirements.

The Team also reviewed all comments in the Staff Summary Report on the Criteria for Accreditation, and Saint John's University's letter of Oct. 3, 2012 to the Commission and the Team outlining the effects of the implementation on the Criteria for Accreditation.

Criterion One - The organization operates with integrity to ensure the fulfillment of its mission through structures and processes that involve the board, administration, faculty, staff, and students.

As discussed above in B1 and B2 under the Revised Criteria and Assumed Practices model, following the implementation of the Change of Control, Saint John's University demonstrates that it meets Criterion One.

Criterion Two - The organization's allocation of resources and its processes for evaluation and planning demonstrate its capacity to fulfill its mission, improve the quality of its education, and respond to future challenges and opportunities.

As stated by the HLC Staff Summary Report, Saint John's University had a strong financial base while organized as an operating division of the Abbey. The audited financial statement for the new corporation of Saint John's University that was prepared after the Change of Control shows very little change to the assets and liabilities of Saint John's University as a result of the change in control, indicating this strong financial base is still in place. In addition, putting in place the sustaining agreement and leases mentioned in the HLC Staff Summary Report provides even more financial stability to the University as a stand-alone entity. The University has

Final Report

been able to determine that its bond rating did not change as a result of the Change of Control, which provides some level of outside support that there is not a negative change in the financial position of the University as a result of the Change of Control.

As an operating division of the Abbey, the University's accounting was well organized to reflect the separate activities of the University. As a result, the same can be said of the separation of the University's accounting from that of the Abbey as has been said earlier in this report, which is that the legality of the structure between the two entities is now properly reflected in their operations.

Although the full effect of the changes to the University's Statements of Activities and Cash Flows will not be apparent until the Change of Control has been in place for a year, the team agrees with the Staff Summary Report in the opinion that the assets appear sufficient to sustain the University's operations as an independent entity, including its lease payments to the Abbey.

Following the implementation of the Change of Control, Saint John's University demonstrates that it meets Criterion Two.

Criterion Three - The organization provides evidence of student learning and teaching effectiveness that demonstrates it is fulfilling its educational mission.

Following the implementation of the Change of Control Team discussions with faculty and academic affairs staff demonstrate that Saint John's University meets Criterion Three.

Criterion Four - The organization promotes a life of learning for its faculty, administration, staff, and students by fostering and supporting inquiry, creativity, practice, and social responsibility in ways consistent with its mission.

Following the implementation of the Change of Control Team discussions with faculty, academic affairs staff, and administrators demonstrate that there has been no impact on Saint John's University's continuing work in meeting Criterion Four.

Criterion Five - As called for by its mission, the organization identifies its constituencies and serves them in ways both value.

Following the implementation of the Change of Control Saint John's University's continuing work with the Order of Saint Benedict demonstrates its service to its identified communities both locally and worldwide.

Final Report

C. Other Accreditation Issues

- **No other accreditation issues are applicable.**

D. Recommendation of Team

- **Evidence sufficiently demonstrated. No Commission follow-up recommended.**

E. Rationale for the Team Recommendation

The Team finds that the evidence has been sufficiently demonstrated that the Commission's approval of the Change of Control was appropriate and that Saint John's University implementation is in compliance with all commitments made in the Change of Control Application as well as the Eligibility Requirements and Criteria for Accreditation.

During the focused visit the Team paid special attention to gathering evidence about the Saint John's University's bylaws and governance structures as outlined in the Staff Summary Report. The opinion of the Team is that the evidence outlined above in section B demonstrates that the authority of the University Board of Trustees relative to its approval of the operating budget and its presidential appointment authority which meet the expectations required by Assumed Practice A.9. Section B above also provides evidence which demonstrates a pattern of decision-making by the Board under the new structure that reflects the independence and autonomy of Criterion Two. Integrity: Ethical and Responsible Conduct and in particular demonstrates evidence of Core Component 2C. Finally, section B provides a pattern of evidence which demonstrates that the Board is appropriately engaged in providing effective leadership as required by Criterion Five, Core Component 5.B.

III: Statement of Affiliation Status

A. *Affiliation Status:*

No change

B. Nature of Organization

1. *Control:* Private NFP

No Change

2. *Degrees awarded:* Bachelor's, Master's

No Change

C. Conditions of Affiliation:

1. *Stipulation on affiliation status:* None

No change

2. *Approval of New Additional Locations:* Prior Commission approval required.

No Change

3. *Approval of Distance and Correspondence Courses and Programs:*

The institution has not been approved to offer its degree programs or more than four of its certificate programs through distance education or correspondence education as defined in Commission policy. Commission policy does permit the institution to offer up to four certificate programs as well as a limited number of courses leading to degree programs through distance education or correspondence education without seeking prior approval.

No Change

D. *Reports Required.* None

E. *Other Visits Required:*

Focused Visit: 2012 - 2013; A focused visit no later than January 2013 to ascertain the appropriateness of the approval for a Change of Control, Structure, or Organization and the institution's compliance with commitments made in the Change of Control application as well as with the Eligibility Requirements and the Commission's new Criteria for Accreditation and Assumed Practices with special focus on the University's bylaws and governance structure.

Current Visit

F. Summary of Commission Review:

Year of last Comprehensive Evaluation 2008-2009

Year for next Comprehensive Evaluation 2017-2018

Change from 2016-2017 at request of SJU and approved by HLC Board on November 1, 2012

***FINAL REPORT FOR A
FOCUSED VISIT FOR CHANGE OF CONTROL***

Advancement Section

TO

SAINT JOHN'S UNIVERSITY

Collegeville, Minnesota

October 29-30, 2012

The Higher Learning Commission

A Commission of the North Central Association of Colleges and Schools

EVALUATION TEAM

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**ADVANCEMENT SECTION
CONTENTS**

A. Observations of Team Regarding the Change Request.....3-4

B. Consultations of the Team.....5

A. Observations of Team Regarding the Change Request

The general observations of the Team is that the Saint John's University Change of Control Application and the implementation of the Change of Control are a model of how to document and implement the Commission's Change of Control process.

The Change of Control process at Saint John's University was thoughtful and deliberative with careful attention paid to developing a consensus supporting the Change among all of the constituent groups. The Change was initiated by suggestions about clarifying the governance process at the institution made by the Commission's past two Comprehensive Evaluations Teams. Saint John's University was also seeking to adapt to the changing environment it found itself in as an operating division of Saint John's Abbey, the Order of Saint Benedict. The mission of Saint John's Abbey

We, the monks of Saint John's Abbey, a community of Catholic Benedictine men, seek God through a common life of prayer, study, and work, giving witness to Christ and the Gospel, in service to the church and the world.

demanding increased attention in today's world at the same time that the Abbey experienced a decrease in the number of men living in the monastic community.

The University and the Order began to work toward restructuring the University in a way that Saint John's University could continue to carry out its mission but within a new, separate not-for-profit corporation. The intent of the Change was never to separate Saint John's University from Saint John's Abbey but to put a new corporate structure in place which clarifies governance, reporting lines, and operations at Saint John's University and meets Commission expectations regarding the institution's autonomy. This separate corporate structure also gives both Saint John's University and Saint John's Abbey the flexibility they each need to focus on different aspects of their shared Catholic Benedictine mission, Saint John's University on its educational priority and Saint John's Abbey on other service priorities. A Sustaining Agreement between the Abbey and the University demonstrates the commitment of each party to maintaining a supporting relationship with the other. The Agreement makes clear that while the intent of the parties is to create independent legal status for the University, for the purposes of its position in the Roman Catholic Church structure, the University remains a spiritual part of the Saint John's Abbey.

As the Staff Summary Report of the Change of Control Application pointed out, the application reflected a process at the institution which involved building a consensus for support of the Change among all constituent groups. The Team was struck by the great care and attention given to all of the details in the Change of Control Application. There were extensive supporting documents covering the different aspects of the Change of Control including included specific details and documentation on how the different internal and external approval processes were obtained.

During the focused visit the Team had extensive discussion with all of the constituent groups involved with the implementation of the Change of Control. The Team was most impressed with how supportive everyone was with how the Change process was developed and implemented and how little impact the implementation of the Change of Control had on the day to day operation of Saint John's University. Again as many people stated, it was as if the Change really was just a legal codification of what has been the practice of life at Saint John's University, with the exception of the changes in the process of selecting the president.

The focus of this visit after implementation of a Change of Control at Saint John's University was on the Bylaws and governance structure of Saint John's University. The Commission charged the Team with looking specifically at issues in the Bylaws and governance structure that were discussed in the Staff Summary Report of the Change of Control Application. The areas in the Bylaws to be addressed were the authority and autonomy of the Saint John's University Board of Trustees to make financial and operational decisions for the institution including authority for presidential appointments with respect to the enumerated powers given to the Class A members of the new Saint John's University Corporation. It is the understanding of the Team that under Minnesota law, general power and authority rests with the board rather than with members of a nonprofit corporation. Nonprofit corporation members only have powers stated in the bylaws, with all other powers remaining with the board. In the Team's view the implementation process demonstrated that the Board of Trustees has the authority and autonomy to effectively govern the institution and is committed to doing so in a collaborative process with other constituent groups at Saint John's University. Similarly the Staff Summary Report raised an issue of whether the President had appropriate personnel authority for the President's Executive Team. After investigating the issue it is the conclusion of the Team that Presidential authority in the governance structure is also appropriate.

The Team found the organization of Saint John's University particularly complex in light of its totally integrated academic program with the College of Saint Benedict, its "sibling" institution for women. The College of Saint Benedict, located about five miles from Saint John's, has separate Commission Accreditation, has a separate corporate structure, a separate Board, and a separate President but it is evaluated with Saint John's University because the two institutions share one and the same academic program. Academic affairs administration and faculty (though employees of only one of the institutions) serve both institutions. The academic life of the institutions is totally integrated with students and faculty moving between the two campuses even though they "officially" belong to one or the other of the institutions.

The Team found that in many ways Saint John's University is a unique higher education institution. Three of Saint John's University's six stated values are Openness to learning, inquiry, beauty, truth and difference; Respect for persons, tradition, creativity, experience, faith, reason and religious practice; and Depth in understanding, relationships, faith and spirituality. It is clear that Saint John's is dedicated to its mission and the Change of Control process is evidence of its dedication to its mission and an outstanding example of these three institutional values. The Team believes that Saint John's University is accomplishing its mission and adequately demonstrated that its Change of Control making it a separate legal institution for the Abbey, with a self-perpetuating Board as its governing authority will strengthen its ability to meet all of the Higher Learning Commission's requirements for accreditation.

B. Consultations of the Team

First since the format of the advancement section is much narrower than a comprehensive evaluation the Team would like to recognize the beauty and tranquility of the Saint John's University campus. The Saint John's Abbey and University Church designed by Marcel Breuer stands like a beacon in its lakeside environment. The hand-illustrated Saint John's Bible is a treasure on the campus. In particular the Team admired the stick house art installation which greeted us on our arrival on the campus each day and which also seems to be a highlight for the community as well. <http://www.stickwork-csbsju.org/>

Given, the strong and extensive overall quality of the Change of Control Application and the supporting documents prepared for it and for this focused visit to evaluate the implementation of the Change process, the Team has only a few suggestions. The suggestions are designed to help Saint John's University ensure the continued successful implementation of the Change of Control.

It is the recommendation of the Team given the unique composition and relationship between Saint John's University and the College of Saint Benedict that Saint John's University needs to take care to continue to manage the impact of its new position as Saint John's University Corporation in its interrelationships with the College of Saint Benedict. For example, as Saint John's administrators and faculty recognized during our visit, the Organization Chart needs further clarification, and this may well involve further clarifying the University's structure with all members of the community. The Application for Change of Control says: "SJU also operates Saint John's School of Theology – Seminary; however, this application relates solely to the SJU College of Arts and Sciences." (page 9 – C. 1.) But the Organization Chart shows no "College of Arts and Sciences" (CAS). Two important points need to be made here. First, as faculty, administration, and members of the Board recognized when the Team called this quotation to their attention, the Application for Change of Control does and must cover the whole accredited institution. And the Team addressed the whole institution in its visit and in this report. Second, the current Organization Chart (where the CAS and University seem to be the same) would have the School of Theology reporting to the CAS, which clearly is not intended, as our discussions made clear. The Organization Chart should be a visual means of clarifying the structure of the University. But the Chart and the slip in the Application seem to reveal some confusion about the use of the terms "University" and "College of Arts and Sciences" that needs to be addressed.

The Team also noted the enthusiastic support given to new lay President Michael Hemesath. The Team wishes President Hemesath well and hopes he can use his first year to develop and nurture the new spirit of collaborative governance at Saint John's University. Well established collaborative governance will help Saint John's University meet its own unique challenges and prepare to face the challenges that lie ahead for all higher educational institutions.

*Team Recommendations for the
STATEMENT OF AFFILIATION STATUS*

INSTITUTION and STATE: Saint John's University, MN

TYPE OF REVIEW (from ESS): Focused Visit

DESCRIPTION OF REVIEW (from ESS): A focused visit no later than January 2013 to ascertain the appropriateness of the approval for a Change of Control, Structure, or Organization and the institution's compliance with commitments made in the Change of Control application as well as with the Eligibility Requirements and the Commission's new Criteria for Accreditation and Assumed Practices with special focus on the University's bylaws and governance structure.

DATES OF REVIEW: 10/29/12 - 10/30/12

Nature of Organization

LEGAL STATUS: Private NFP

TEAM RECOMMENDATION: No Change

DEGREES AWARDED: B, M

TEAM RECOMMENDATION: No Change

Conditions of Affiliation

STIPULATIONS ON AFFILIATION STATUS: None.

TEAM RECOMMENDATION: No Change

APPROVAL OF NEW ADDITIONAL LOCATIONS: Prior Commission approval required.

TEAM RECOMMENDATION: No Change

APPROVAL OF DISTANCE EDUCATION DEGREES: The institution has not been approved to offer its degree programs or more than four of its certificate programs through distance education or correspondence education as defined in Commission policy. Commission policy does permit the institution to offer up to four certificate programs as well as a limited number of courses leading to degree programs through distance education or correspondence education without seeking prior approval.

TEAM RECOMMENDATION: No Change

REPORTS REQUIRED: None

TEAM RECOMMENDATION: No Change

OTHER VISITS SCHEDULED: Focused Visit: 2012 - 2013; A focused visit no later than January 2013 to ascertain the appropriateness of the approval for a Change of Control, Structure, or Organization and the institution's compliance with commitments made in the Change of Control application as well as with the Eligibility Requirements and the Commission's new Criteria for Accreditation and Assumed Practices with special focus on the University's bylaws and governance structure.

TEAM RECOMMENDATION: None

*Team Recommendations for the
STATEMENT OF AFFILIATION STATUS*

Summary of Commission Review

YEAR OF LAST COMPREHENSIVE EVALUATION: 2008 - 2009

YEAR FOR NEXT COMPREHENSIVE EVALUATION: 2017 - 2018

TEAM RECOMMENDATION: No Change

ORGANIZATIONAL PROFILE

INSTITUTION and STATE: Saint John's University, MN

TYPE OF REVIEW (from ESS): Focused Visit

No change to Organization Profile

Educational Programs

		Program Distribution	Recommended Change (+ or -)
Programs leading to Undergraduate	Associate	0	
	Bachelors	34	
Programs leading to Graduate	Masters	6	
	Specialist	0	
	First Professional		
	Doctoral	0	

Off-Campus Activities

In-State:	Present Activity:	Recommended Change: (+ or -)
Campuses:	None	
Additional Locations:	None	

Out-of-State:	Present Wording:	Recommended Change: (+ or -)
Campuses:	None	
Additional Locations:	None	
Course Locations:	None	

Out-of-USA:	Present Wording:	Recommended Change: (+ or -)
Campuses:	None	
Additional Locations:	None	
Course Locations:	None	

Distance Education Programs:

Present Offerings:

None

**Recommended Change:
(+ or -)**

Correspondence Education Programs:

Present Offerings:

None