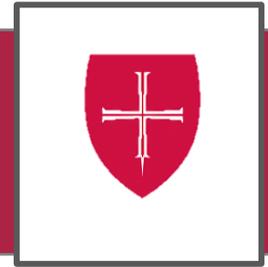


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What is Accreditation?

- Process to ensure and advance the quality of higher education.
- Validates the quality of education received at the College of Saint Benedict (CSB) and Saint John's University (SJU).

Who are the accrediting agencies for CSB and SJU?

- The Higher Learning Commission ("HLC") is the institutional accrediting agency for CSB and SJU. This accreditation applies to CSB's and SJU's programs and operations.
- In addition to HLC's accreditation of CSB and SJU, some of the programs offered by CSB and SJU also maintain specialized accreditation for specific programs.

Why is HLC involved in this decision?

- On April 23, 2021, CSB and SJU filed a Change of Structure Application with HLC. This application asked HLC to approve

changes to the CSB/SJU structure. The changes would create a single president for CSB/SJU and would result in CSB and SJU having two separate governing boards with a common set of board members.

- As part of HLC reviewing the CSB/SJU Change of Structure application, HLC will conduct a two-day visit to CSB and SJU on September 13-14, 2021.
- The HLC visit team confirmed that the information submitted in the CSB/SJU Change of Structure application is accurate and whether the proposed changes will impact the institutions' ability to comply with HLC standards.
- **The HLC Board approved our application on November 5, 2021.**
- We will move forward with hiring a single president.
- HLC will have a follow-up within six months to confirm our change.

Change of Structure

OVERVIEW OF THE CHANGE OF STRUCTURE

- CSB and SJU seek to make changes to their structure by (1) having a single president to serve both institutions; (2) having two separate boards with common members; and (3) having a more integrated administrative structure. These changes respond to the institutional needs and the current higher education environment and are rooted in CSB's and SJU's current coordinated structure.
- **Background.** For decades, CSB and SJU have operated under what is known as the "Coordinate Relationship." This unique and effective model allows CSB and SJU to share a common undergraduate program, while maintaining their own identities and campuses.
- In early 2019 the Boards of Trustees for CSB and SJU established the Joint Strategic Visioning Committee (JSVC), which examined the structure and effectiveness of the Coordinate Relationship. In response, it was recommended that the institutions begin greater integration to increase operational and financial efficiencies for CSB and SJU ("Project Strong Integration").
- After reviewing various options, the CSB and SJU governing boards agreed that to enter into a joint operating agreement (JOA).
- **Joint Operating Agreement.** The JOA is a contractual agreement. The JOA does not create a new entity or corporation, is not a merger or acquisition, and does not seek to transfer substantial assets from the institutions into a new or related entity. Put most simply, the JOA aims to expand upon the parties' current Coordinate Relationship by unifying aspects of CSB and SJU governance and increasing and better structuring joint administrative functions.
- **Unified Governing Boards.** Under the new governance model, CSB and SJU will continue to each have an independent governing board with authority to govern their respective institutions. Yet, these governing boards will be identical: having the same trustees, same board committees, and the same board officers.
- Having a set of common trustees, will allow the boards to oversee the common interests of the institutions while permitting certain features and operations of each institution to remain separate.
- While unified governing boards is a change in our current governance structure, it is not a significant change from our current practices. Because of CSB's and SJU's shared history and

shared academic programs, its governing boards often hold joint board meetings and engage in joint board activities. CSB and SJU board members already are familiar with one another and share a common commitment to the mutual success of CSB and SJU.

- **Single President for CSB and SJU.** In light of the JOA, having cohesive leadership through a single President for CSB and SJU would be beneficial and is a logical extension of the current Coordinate Relationship.
- The person selected for this important role will have appropriate credentials and professional experience, as well as sufficient focus to ensure appropriate leadership for CSB and SJU.
- In this role, the President will be the Chief Executive Officer of CSB and SJU and will provide leadership, vision and direction for their centralized administrative and other functions. This common President will report to the unified CSB and SJU governing boards.
- **Integrated Administrative Structure.** The JOA identifies components of CSB/SJU academic programming, operations, and administration which will be considered "Common Functions and Services" that will be jointly administered (i.e., integrated together) and those that will remain "Separate Functions and Services". An overview of these functions is set forth on the following page.

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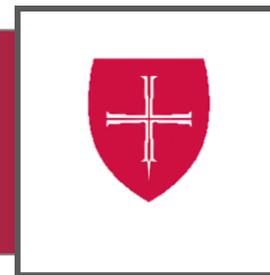
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Common Functions and Services	Separate Functions and Services
President and President's Office: <ul style="list-style-type: none"> • Presidential Search for CSB/SJU President • The President will be supported by a leadership team common to CSB and SJU 	President and President's Office: <ul style="list-style-type: none"> • An office for the President at both campuses. • Institution-specific presidential duties, e.g., fundraising.
Academic Programming: <ul style="list-style-type: none"> • Current shared undergraduate programs will continue to operate with common faculty. • Common Chief Academic Officer/Provost. • CSB/SJU joint library holdings • Common Fine Arts programs, XPD and global study abroad. • Presidential Search for CSB/SJU President supported by common leadership team. 	Academic Programming: <ul style="list-style-type: none"> • Each institution responsible for its campus classroom, lab and library upkeep. • SJU responsible for Outdoor University and Arboretum • SJU responsible for its Artist in Residence • Each institution responsible for Institution-specific fine arts • CSB/SJU joint library holdings • Common Fine Arts programs, CPD and global study abroad. • Each institution responsible for its graduate-level programs.
Student Development: <ul style="list-style-type: none"> • Common curricular and co-curricular opportunities for students, including counseling and health promotion; intercultural and international student services; and joint student activities (e.g., clubs). 	Student Development: <ul style="list-style-type: none"> • CSU and SJU will maintain separate: <ul style="list-style-type: none"> - student residences; - student life activities; - athletic programming; - campus ministry; - Title IX compliance; and - senior campus leaders.
Enrollment Management and Admissions: <ul style="list-style-type: none"> • Common undergraduate admissions standards and joint admissions decisions; • Shared recruitment efforts and budget; and • Common student retention goals and efforts. 	Enrollment Management and Admissions: <ul style="list-style-type: none"> • Separate recruitment for student athletes; and • Each campus maintains its own admissions office to receive students and families.

Common Functions and Services	Separate Functions and Services
Financial and Administrative Services: <ul style="list-style-type: none"> • Certain shared facilities services, e.g. CSB/SJU transportation • IT services • Payroll services • Bookstore • CSB/SJU Human Rights Office 	Financial and Administrative Services: <ul style="list-style-type: none"> • Certain services, e.g., maintain campus grounds, culinary services, bookstore • Separate business offices; Financial Aid offices; audit functions; and procurement • Separate institutional budgets • Grant reporting and endowment and investment management functions will be separate.
Human Resource Services: <ul style="list-style-type: none"> • Common faculty and employee handbooks • Employee benefits 	Human Resource Services: <ul style="list-style-type: none"> • Common faculty and employee handbooks
Institutional Advancement Services: <ul style="list-style-type: none"> • Coordinated CSB/SJU events, including Homecoming and reunions 	Institutional Advancement Services: <ul style="list-style-type: none"> • Advancement services, e.g., gift processing • Major gifts and Annual funds • Alumni Relations
Marketing and Communications: All marketing and public-facing communications will be common functions and services.	Marketing and Communications: There will be no separate marketing and communications functions or services.
General Counsel Services: <ul style="list-style-type: none"> • Common legal and compliance matters • Conflicts of interest 	General Counsel Services: <ul style="list-style-type: none"> • Separate legal and compliance matters • Supervision of CSB and SJU compliance officers
Other Functions: <ul style="list-style-type: none"> • Diversity, Equity and Inclusion 	Other Functions: <ul style="list-style-type: none"> • Compliance with Title IV (Federal Student Aid) and Title IX (prohibits sex-based discrimination) • SJU will continue to operate the Hill Museum and Manuscript Library

- As illustrated on this page, the purpose of the JOA is to set forth a more integrated structure for CSB and SJU that allows the institutions to continue having a joint undergraduate academic program and academic support services for students, as well as a unified governance structure and more integrated administrative functions.
- On March 31, 2021, the governing boards of CSB and SJU approved the JOA, pending HLC approval.
- HLC approved the change on November 5, 2021. The proposed change of structure does not require approval from the Minnesota Office of Higher Education or the U.S. Department of Education.

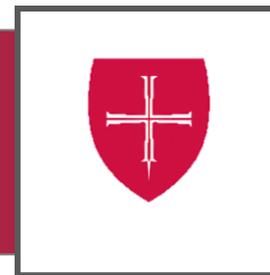


IMPACT OF THE CHANGE OF STRUCTURE ON CSB AND SJU

- **Mission.** The missions of CSB and SJU are aligned based on their Catholic and Benedictine heritage and Coordinate Relationship. As such, CSB and SJU share the same fundamental commitment to providing a high quality residential, liberal arts experience to students framed by the Catholic intellectual tradition. Yet, as single-sex institutions, each institution's mission and vision is particularly attentive to gender and gender development. The missions of CSB and SJU will not change as a result of the Transaction
- **Educational Programs.** The change of structure will not impact CSB/SJU's educational programs. At present, CSB and SJU offer more than 50 areas of study with 38 majors and 42 minor programs, including SJU's School of Theology and Seminary, which offers graduate level programs.
- Looking forward, one intentional goal established in CSB/SJU's Strategic Plan, Strategic Directions (SD2020), is the development of interdisciplinary programs to help make connections across our departments and programs. In addition, CSB/SJU are interested in developing liberal arts programming and pathways that support our professional programming in several specific areas that have strong student interest and speak to our institutional strengths. This includes health, business and entrepreneurship, environment and sustainability, STEM, and civic and social leadership.
- As part of our five-year plan, we expect to examine the possibility of a small number of additional graduate programs that support and build from our undergraduate liberal arts programs.
- **Academic Support Services.** CSB and SJU provide a full array of student support services suited to the learning needs of students. These services include academic advising, libraries and IT services, English as a Second Language; student accessibility services, counseling and health promotion, writing and math skills, peer tutors, Experience and Professional Development (XPD), global education and fine arts programming.
- The above support services will continue after the change of structure. Furthermore, one of the objectives of the change is to ensure that academic support services offered jointly will be as effective as possible through a more integrated structure.
- **Delivery Modes.** Typically, the undergraduate programs provided by CSB and SJU are not delivered via distance delivery. These programs are offered as face-to-face (i.e., on-ground/campus) programs. Due to COVID-19, CSB and SJU offered distance learning and developed pedagogies and added technology to offer courses in a hybrid learning mode. CSB/SJU will continue to use hybrid learning modes, but only to the extent necessary in response to COVID-19.
- CSB and SJU have no plans to change the delivery modes of their programs as a result of the change of structure.
- **Students.** CSB and SJU serve over 3,000 students. Many students enroll at CSB and SJU because of their Coordinate Relationship. CSB and SJU believe students understand that the relationship between CSB and SJU enhances their educational opportunities and – in essence – offers them two institutions for the price of one.
- Following the change of structure, students will continue to have the same programs, faculty, academic support, and student services. CSB and SJU have no plans to terminate or modify current academic programs as a result of the change of structure. Furthermore, because the goal of the change is to increase overall efficiencies, the only impact to students should be an even better student experience.
- **Enrollment.** For the 2020-2021 academic year, CSB enrolled 1,659 students and SJU enrolled 1,554 for a total of 3,213 students. Over the next five years, the institutions expect their enrollment to remain steady and are projecting an incremental increase in enrollment based on carefully considered strategic initiatives.
- **Marketing.** A change of structure will result in all marketing and communications for CSB and SJU being a common function. This marketing will develop and advance a cohesive brand identity that supports and defines the institutions separately and together. The marketing will distinguish CSB/SJU from other institutions and will allow enrollment of the current demographic while expanding marketing efforts to reach transfer students, international students, and American students of color.
- **Business Plan.** CSB and SJU are adept at financial stewardship. Each institution continues to have strong financials, carefully managed endowments, and balanced budgets.
- CSB and SJU provided detailed business plans with their Change of Structure application submitted to HLC. These plans demonstrate that CSB and SJU have strong assets and endowments.
- The plans detail the efforts of CSB and SJU to incrementally increase the number of undergraduate students, transfer students, and possible graduate programs over the next five years.
- Additionally, over the next five years, CSB and SJU plan to make continuous improvements and upgrades to their infrastructure and technology.
- Through careful budgeting and planning, CSB and SJU together will develop and implement an economic model based on the change of structure that allows them to meet and sustain high standards of excellence, value, affordability and efficiency.
- Transactional costs associated with the proposed change of structure and move towards stronger integration will be managed and funded through a combination of operating surplus and use of balance sheet reserves without materially impacting the institutions' financial position. In sum, CSB and SJU have the resources necessary to execute the proposed change of structure.
- **Strategic Plan.** The strategic planning goals set forth in CSB/SJU's Strategic Directions 2020 (SD2020) plan are aligned with the proposed change of structure. These goals include:
 - Develop a new economic model that balances long-run revenues and expenses.
 - Develop and shape a faculty and staff size and composition model that is attentive to the external market, the financial model and the quality of the student experience.
 - Develop and advance a cohesive brand identity that supports and defines the colleges separately and together.
 - Clearly define the educational opportunities and constraints of the coordinate relationship and structure, enabling us to emphasize to students, parents and others the distinctive benefits of our partnership.
- The change of structure will assist in creating a new economic model for CSB/SJU through a more aligned structure. Also, while the change will not impact the number of faculty, it may allow the institutions to streamline administrative functions and simplify

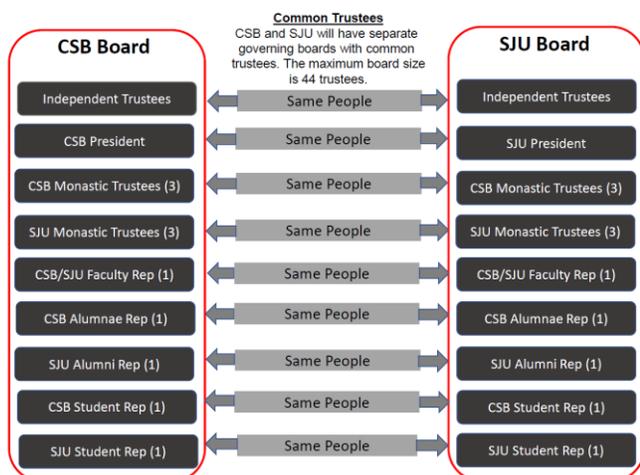
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internal decision-making processes, allowing CSB and SJU to be nimbler. The more integrated structure also will advance efforts to have a cohesive brand identity that supports CSB and SJU, separately and together.

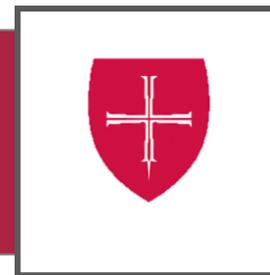
- On June 19, 2020, SD2020 was extended for two more years until 2022 in light of the proposed change of structure.
- **Governance.** A key aspect of this proposed Transaction is moving to a unified governance model that would result in (1) a unified governing board (i.e., CSB and SJU will share a common Board of Trustees); and (2) a single President for CSB and SJU.
- **Unified Governing Boards:** As a result of the change of structure, the governing boards of CSB and SJU will consist of an equal division of the current members of the CSB and SJU boards. The candidates to serve as the trustees for both CSB and SJU were nominated by a selected group of current CSB and SJU trustees, the Discernment Group (i.e., nomination committee). The Discernment Group carefully selected potential trustees based on a set of criteria that focuses on their interest and institutional needs. The proposed trustees already are familiar with one another and working together. The two boards currently meet jointly for purposes of board meetings, strategic planning, board trainings and social occasions.
- The change of structure contemplates that the CSB and SJU governing boards will have common trustees as follows.



- Of the above trustees, the following have voting rights: Maximum 32 at-large independent trustees; CSB/SJU President (ex officio); CSB monastic trustees (3) and SJU monastic trustees (3). The remaining trustees are non-voting trustees.
- To safeguard against potential or actual conflicts of interest, at all times the majority of the CSB/SJU trustees will be independent at-large trustees.
- A robust Memorandum of Understanding between the CSB and SJU Boards of Trustees was also developed to safeguard against any conflicts of interest. Namely, a Memorandum of Understanding between the CSB and SJU Boards of Trustees regarding Matters of Disparate Impact (MOU on MoDI) was created to support the Boards of CSB and SJU in ensuring the satisfaction of their fiduciary duties to both institutions.

- The MOU on MoDI sets forth the process CSB and SJU Boards will utilize if a matter comes before the Boards that may have a disparate impact on the institutions or one of the institutions (e.g., one institution wishes to materially alter a program in a manner that may negatively impact the other institution). Key steps in the MOU on MoDI include: 1) Identification of a Disparate Impact; 2) Process for Evaluating a Matter of Disparate Impact (MoDI); 3) Process for Addressing MoDI with the Boards of Trustees; and, 4) Process for Voting and Super Majority Requirement.
- To avoid any potential circumstance where a faction of trustees with a small majority, can unduly influence board votes on significant matters, an affirmative vote of seventy-five percent of the trustees in office is necessary for the following decisions:
 - Removal of the President of CSB/SJU
 - Removal of the Common Boards Chairperson
 - Termination of our unwinding of the JOA
 - Approval of a MoDI
 - Sale of all or substantially all of CSB's or SJU's assets
 - Any merger, acquisition, consolidation or combination of CSB and/or SJU.
- Another method to manage conflicts, will be the hire of a General Counsel, as well as two Board Governance compliance officers (one for each institution), who are responsible for identifying potential and real conflicts of interest. The compliance officers in consultation with the General Counsel will be tasked with raising conflicts with the President and Board Chairperson, so that conflicts can be properly managed and risk mitigated.
- **Single President and Executive Leadership:** Throughout development of a plan to implement Strong Integration, strong support was received for the concept of CSB and SJU having a single President to serve as the Chief Executive Officer for the institutions. The objective in having a single President is to provide a unified vision and leadership, especially with respect to the majority of CSB and SJU operations, which following the execution of the JOA, will result in numerous joint administrative functions and continued operation of our shared undergraduate program
- Following the change of structure, there will be a single president and one combined cabinet. Together the president and the cabinet will provide day-to-day administrative leadership for both institutions.
- **Knowledge & Experience:** CSB and SJU have an administrative structure that includes leaders with deep experience in higher education and accreditation. Following the change of structure CSB and SJU will continue to have knowledgeable and experienced leadership.
- In addition, there will be a comprehensive CSB/SJU presidential search process in order to ensure that the President selected has the requisite higher education and accreditation experience needed to successfully steward the institutions. This process will include input from students, faculty, staff and the broader community.
- **Faculty:** Together CSB and SJU have approximately 300 faculty with diverse educational, cultural and religious backgrounds. Over 80 percent of faculty hold the highest degrees in their respective fields.
- The change of structure will not impact faculty. Following the change, faculty will continue to participate substantially in academic matters and have oversight of the curriculum.
- **Assessment of Student Learning:** The proposed change of structure will not impact assessment of student learning.

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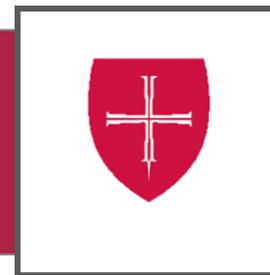
- Following the change of structure, assessment processes will continue to be facilitated by the Office of Academic Assessment and Effectiveness (OAAE). Co-curricular programs will continue to use “key performance indicators” (KPIs) to direct their assessment and evaluation processes and create plans for improvement based on the results of those KPIs.
- CSB and SJU are committed to stakeholder participation in assessment. Of the 32 academic departments and programs surveyed in 2017, 20 have an assessment coordinator and the remaining 12 had designated the chair, a committee, or an individual faculty to oversee assessment work in the department. Around half of departments indicate that all faculty participate in assessment work on behalf of the department.

COMMITMENT TO HLC STANDARDS

- Eligibility Requirements. CSB and SJU currently meet each of HLC’s Eligibility Requirements. If the proposed change of structure is approved, CSB and SJU will continue to meet HLC Eligibility Requirements.
- CSB and SJU will continue to meet the HLC Eligibility Requirement that requires each institution to have its own governing board with authority to govern the respective institution. Having common Board members will not alter the fact that each institution has its own board.
- Also, CSB and SJU will continue to meet HLC Eligibility Requirements related to its administration. CSB and SJU will continue to have a chief executive officer. This role will be filled by one individual who will serve as the President and CEO for both institutions. Furthermore, following the change of structure, the President and CEO will be appointed by the governing boards of CSB and SJU.
- CSB and SJU also will continue to have administrative structures that continue to support effective operations. At present, CSB and SJU have a Provost, who serves as the Chief Academic Officer for CSB and SJU, overseeing academic affairs for the common undergraduate program. This Provost position has served CSB and SJU effectively since 1995. Also, each institution will continue to have its own Chief Financial Officer as each institution will maintain separate financial accounts and records and will be subject to its own annual financial audit.
- Furthermore, the more integrated structure will not alter CSB/SJU’s compliance with HLC Eligibility Requirements related to the nature of their academic programs, student support services, faculty, planning, policies and procedures.
- Criteria for Accreditation. Following the change of structure CSB and SJU will continue to meet the HLC Criteria for Accreditation.
- Consistent with HLC Criterion One: Mission, CSB and SJU will continue to have clear missions that guide their institutions. The missions of CSB and SJU share the same fundamental commitment to providing a high quality residential, liberal arts experience to students framed by the Catholic intellectual tradition. These missions will not change as a result of the change of structure.
- In accordance with HLC Criterion Two: Integrity, CSB and SJU both embrace ethical and responsible conduct, which is backed by the respective religious and professional backdrops of their founding and mission, and offer educational experiences in the Catholic and Benedictine traditions with an emphasis on serving others.
- Following the change of structure, CSB and SJU will each have a governing board with 100% overlapping board members (i.e., identical trustees for each board). To safeguard against any undue influence the majority of the CSB and SJU boards will be made up of independent trustees.
- Additionally, a Conflicts Management Plan will be implemented for the boards. This plan will require in-depth training on conflicts management and fiduciary responsibilities. Also, a super majority vote, requiring an affirmative vote of 75% of the trustees will be required for significant matters (e.g., removal of the CSB/SJU President) to protect against the possibility of a faction with a small majority unduly influencing the board. Annually trustees will continue to be required to sign a Conflict of Interest statement disclosing any relationships or affiliations that are or could be perceived as a conflict of interest, and to refrain from participating in discussions where a conflict exists. A General Counsel and compliance officers will be hired as part of the change of structure. Their job duties will include conflicts management to protect the integrity of the Common Boards.
- Consistent will HLC Criterion Three: Teaching and Learning—Quality Resources and Support, both CSB and SJU are recognized for providing excellent residential, liberal arts educational experience in the Catholic and Benedictine traditions with relevant programming and learning goals set to address student progressions, regardless of the mode of delivery. Nothing about the proposed change of structure will alter CSB/SJU academic programs or academic support services provided to students.
- Similarly, nothing about the proposed change of structure will alter how CSB and SJU maintain, evaluate, and assess their educational programs and learning environments. Accordingly, CSB and SJU will continue to comply with HLC Criterion Four: Teaching and Learning—Evaluation and Improvement.
- Lastly, in accordance with HLC Criterion Five: Resources, Planning and Institutional Effectiveness, CSB and SJU both have sufficient resources, structures, and processes to fulfill their mission. Additionally, the proposed change of structure is designed to increase efficiency of resources and promote greater collaboration, among the institutions. Plus, the CSB and SJU Strategic Directions 2020 plan further emphasizes careful planning to common goals.
- Accreditation Record. CSB and SJU are longtime HLC member institutions with CSB receiving HLC accreditation in 1933 and SJU in 1950. Most recently in 2018, HLC reaffirmed both institutions accreditation for a ten-year period until 2027-2028. The reaffirmation of accreditation did not include any HLC monitoring or follow-up reports or visits.

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HLC HAS DETERMINED THAT THE FACTORS FOR APPROVAL OF A CHANGE OF STRUCTURE ARE MET

- First, the change of structure will support the extension of the missions of CSB and SJU. Within the fiercely competitive environment for higher education, the CSB and SJU Coordinate Relationship has stood the test of time. This interdependent relationship continually enhances educational opportunities for students and is vital to the long-term viability and vitality of each institution.
- Second, the change of structure does not change the essential nature or unique identities of CSB and SJU—institutions committed to providing the very best residential liberal arts education in the Catholic tradition. Accordingly, the change of structure will have minimal impact on internal and external constituencies.
- Third, the change of structure will not impact the ability of CSB and SJU to continue to meet the HLC Criteria for Accreditation and other HLC requirements.
- Fourth, CSB and SJU are financially healthy institutions and the proposed change of structure seeks to continue that financial health and promote cost savings of a single administration and the efficiencies that will come with joint administrative functions, while still providing students with the benefits of two colleges at the price of one.
- Fifth, the CSB/SJU team will continue to include individuals with significant higher education experience. In addition, the search process for a President to lead CSB and SJU is designed to find an individual with deep higher education experience, who is fully vetted by a process that includes input from students, faculty, staff and our broader community.