



February 12, 2021

Dr. James Dlugos  
President  
Saint Joseph's College of Maine  
278 Whites Bridge Road  
Standish, ME 04084-5263

Dear President Dlugos:

I write to inform you that at its meeting on January 22, 2021, the New England Commission of Higher Education considered the report submitted by Saint Joseph's College of Maine, as well as the report of the visiting team, and took the following action:

that the report submitted by Saint Joseph's College of Maine be accepted, contingent upon confirmation that the on-ground follow-up visit was completed;

that the Notice of Concern that the institution is in danger of not meeting the standard on *Institutional Resources* be removed;

that the comprehensive evaluation scheduled for Fall 2021 be confirmed;

that, in addition to the information included in all self-studies as well as the matters specified in our letter of April 30, 2020, the institution give emphasis in the Fall 2021 self-study to its success in:

- 1) implementing its strategic plan and evaluating progress made to achieve its goals;
- 2) achieving its stated enrollment goals and assuring that the Board and senior leadership have a shared understanding of realistic enrollment goals;
- 3) clarifying the future role of the College's online programs in light of its strategic plan goals;
- 4) addressing the financial challenges of a high tuition discount rate combined with a high level of tuition dependence.

The Commission gives the following reasons for its actions.

The report submitted by Saint Joseph's College of Maine (SJC) was accepted because it was responsive to the concerns raised by the Commission in its letter of April 30, 2020. This action is contingent upon the Commission's receipt of confirmation that the required on-ground follow-up visit has been completed.

St. Joseph's College of Maine is to be commended for preparing a comprehensive and accurate report that demonstrates its understanding of the value and importance of the focused visit and for being open and welcoming to the members of the visiting team. SJC has exhibited steady improvement of financial resources since 2017. Total net assets for FY2020 increased by over \$500,000 which followed two other years with a positive change in net assets without donor restrictions. The DOE Composite Score for FY2020 was 2.6, another indicator of the institution's improving financial health. In addition, all debt covenants have been met, and we take favorable note that the majority of findings in a DOE audit have been successfully resolved. While enrollment trends remain a concern, FTE was still above 1,300 in FY2020, and we concur with the institution that its new marketing partnership with EAB looks to be promising.

Because of the steady improvement of SJC's financial resources, the Commission made the decision to remove the Notice of Concern with regard to its standard on *Institutional Resources*. The Commission notes that while the College ran small operating surpluses for FY2018 and FY2019, it also experienced a deficit of \$108,000 for FY2020. However, given the growth of net assets, cash on hand, and an almost \$1 million decrease in Accounts Payable, the Commission determined that Saint Joseph's College of Maine is no longer in danger of being found not to meet the standard on *Institutional Resources* and therefore removed the Notice of Concern.

The scheduling of a comprehensive evaluation in Fall 2021 is consistent with Commission policy requiring each accredited institution to undergo a comprehensive evaluation at least once every ten years. We ask that, in addition to the information included in all self-studies and the matters specified in our letter of April 30, 2020, the self-study prepared for the evaluation give emphasis to four matters related to our standards on *Planning and Evaluation, Students, Institutional Resources, Organization and Governance, and The Academic Program*.

While there has been some progress in the College's capacity for long-term planning and evaluation, the Commission concurs with the visiting team that there remains a need to increase transparency around the development of the budget and to make a stronger connection between new initiatives and enhancing revenue streams. Additionally, there needs to be ongoing assessment of these new initiatives with a clear articulation of the goals and outcomes of said initiatives. The Commission welcomes an update about the institution's success with these matters through the self-study prepared for the Fall 2021 comprehensive evaluation. We remind you of our standard on *Planning and Evaluation*:

Planning and evaluation are systematic, comprehensive, broad-based, integrated, and appropriate to the institution. They involve the participation of individuals and groups responsible for the achievement of institutional purposes and include external perspectives. Results of planning and evaluation are regularly communicated to appropriate institutional constituencies. The institution allocates sufficient resources for its planning and evaluation efforts. (2.1)

The institution regularly and systematically evaluates the achievement of its mission and purposes, the quality of its academic programs, and the effectiveness of its operational and administrative activities, giving primary focus to the realization of its educational objectives. Its system of evaluation is designed to provide valid information to support

institutional improvement. The institution's evaluation efforts are effective for addressing its unique circumstances. These efforts use both quantitative and qualitative methods. (2.6)

Also with regard to our Standard on *Planning and Evaluation*, the Commission wants to ensure SJC has success in achieving its stated enrollment goals, especially given its dependence on tuition revenue. In addition, we share the judgment of the visiting team that the College will benefit from assuring that the senior staff and the Board of Trustees have a "better mutual understanding" of their expectations in this area and realistic enrollment goals for the institution. The Commission looks forward, in Fall 2021, to learning of Saint Joseph College of Maine's success in this regard, as evidence that the institution "has a demonstrable record of success in implementing the results of its planning" (2.5). Our standards on *Students* and *Institutional Resources* provide this additional guidance:

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

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

The Commission appreciates the College's candid acknowledgment that revenue generation from its online programs has slowed and that the institution needs to "do a better job at differentiating [its] academic programs across all modalities and aligning [its] programs with the College's core brand." We are gratified to learn that this understanding is guiding strategic decisions about academic programming at the College, and we ask that an update about this matter, including clarification about the future role of the College's online programs, be included in the self-study prepared for the Fall 2021 comprehensive evaluation. We remind you of our standards on *Planning and Evaluation* and *The Academic Program*:

The institution plans for and responds to financial and other contingencies, establishes feasible priorities, and develops a realistic course of action to achieve identified objectives. Institutional decision-making, particularly the allocation of resources, is consistent with planning priorities. (2.4)

The institution undertakes academic planning and evaluation as part of its overall planning and evaluation to enhance the achievement of institutional mission and program objectives. These activities are realistic and take into account stated goals and available resources. Additions and deletions of programs are consistent with institutional mission and capacity, faculty expertise, student needs, and the availability of sufficient resources required for the development and improvement of academic programs. The institution allocates resources on the basis of its academic planning, needs, and objectives (4.7).

Finally, with regard to our standard on *Institutional Resources*, while there has been steady improvement in SJC's financial condition since the budget deficit of 2017, the high rate of discount, which has grown from 39% in 2016 to 50% in 2021, combined with a high dependence on tuition revenue, leaves the College in a vulnerable position. The consolidation of financial aid, admissions, and marketing functions is anticipated to provide a more coordinated approach to recruiting students. The Fall 2021 comprehensive evaluation will afford Saint Joseph's College of Maine an opportunity to report on the success of these efforts in helping the institution address its financial and enrollment challenges as informed by our standard on *Institutional Resources* (cited above and below):

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

The Commission expressed appreciation for the report prepared by Saint Joseph's College of Maine and for the report submitted by the visiting team. The Commission also welcomed the opportunity to meet with you and Rob Wilson, Chief Business & Finance Officer and Vice President, as well as Dr. Kurt T. Steinberg, team chair, during its deliberations.

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

The Commission hopes that the evaluation process has contributed to institutional improvement. It appreciates your cooperation with the effort to provide public assurance of the quality of higher education in New England.

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

Sincerely,



George W. Tetler

GWT/sjp

Enclosure: Public Disclosure of Information about Affiliated Institutions.

cc: Carol Strobeck  
Visiting team