



Public Disclosure Notice on Dana College

November 30, 2010

This public disclosure notice is provided by the Higher Learning Commission (“the Commission”) regarding Dana College in Nebraska (“the College”). The Commission is a regional accrediting agency; it accredits more than 1,000 institutions of higher learning in the 19 states of the North Central region.

Background

Dana College was first accredited in 1958. On June 24, 2010, the Higher Learning Commission Board of Trustees denied a request by Dana College to extend the accreditation of the institution after a proposed change of ownership to Dana Education Corporation, a new corporation owned by Nebraska Higher Education Holdings, LLC.

During the change of ownership application, the Commission required the College to file a teach-out plan detailing how currently enrolled students could complete their programs of study at neighboring institutions without loss of credit hours should the change request be denied and the College decide to close. Eligible students were identified in the teach-out plan (132 juniors and 69 fifth year seniors as of April 2010). That plan was filed with the Commission in April and the institution completed a modified teach-out in July.

In denying the proposed change of ownership, the Higher Learning Commission did not withdraw the accreditation of Dana College, nor did it order Dana College to close when the request was denied. The board of Dana College voted to suspend operations on July 12, 2010.

Most Recent Action on Dana College

By Commission policy, the suspension of operations requires withdrawal of accredited status. In October 2010, the College board requested an extension of accreditation for the purposes of providing eligible students nearing graduation an opportunity to complete their programs of study and to receive Dana degrees. The Commission’s Board of Trustees approved this request at its November 4, 2010, meeting. The Board affirmed that the extension of accreditation is for the sole purpose of allowing for the graduation from an accredited institution of those students completing a degree program by July 28, 2011. The accreditation of the institution is effectively withdrawn for all other purposes including but not limited to resuming operations or selling or transferring the assets of the College to another party.

The Board also voted to require that the College file no later than December 20, 2010, a detailed plan identifying a qualified registrar with access to Dana student transcripts at University of Nebraska Lincoln, to receive and review the transcripts of credits that Dana students have earned in the past year

and to ascertain whether these students qualify for Dana degrees. The plan will also identify how many students are eligible for this teach-out, what institutions those students are currently attending, and mechanisms to ensure that students are appropriately informed about the extension and its deadline.

Reason for the Denial of Change of Control

On March 12, 2010, the Higher Learning Commission received an official Change of Control request from Dana College to cover the proposed purchase by the Dana Education Corporation. This request was promptly reviewed by the Higher Learning Corporation Board of Trustees after a detailed review and fact-finding visit by peer reviewers and staff.

The decision on a Change of Control request is based on the Board's judgment of whether the proposal advanced by the College and its buyers shows that the approval factors outlined in the policy on Change of Control are met. In this case, the Commission's Board of Trustees made a judgment that the proposal did not meet the specified factors. Specifically, the Board found that the Change of Control request did not meet approval factors related to:

1. the extension of the mission, educational programs, faculty, and students of the institution because the buyers had plans to add new educational programs that would bring in new populations of students and change the residential liberal arts nature of this institution;
2. the likelihood that the institution would continue to meet the Eligibility Requirements and Criteria for Accreditation because the governance arrangements proposed by the buyers gave to the investors in the College authority for decisions that belong to the College and its Board, which raises concerns about the institution's compliance under the new ownership with Commission requirements on governance (Eligibility Requirement #4 and Criterion One);
3. sufficient financial support for the transaction because the financial commitment of the buyers to address the financial and infrastructure issues of the College appeared to be insufficient, especially in the event that the College was not able to increase enrollment as quickly as it anticipated; and
4. previous experience of the proposed ownership and leadership in the specific type of higher education currently offered by the institution because the investors and the senior leadership proposed for the College had limited or no experience with liberal arts education for traditional-age students.