



March 1, 2022

VIA ELECTRONIC MAIL

Dr. Nicky Michael, Interim President
Bacone College
2299 Old Bacone Rd.
Muskogee, OK 74403-1568

Dear President Michael:

This letter is formal notification of action taken by the Higher Learning Commission (HLC) Board of Trustees (“the Board”) concerning Bacone College (“the Institution”). This action is effective as of the date the Board acted, February 25, 2022. In taking this action, the Board considered materials from the most recent comprehensive evaluation, including, but not limited to: the Focused Visit Report the institution submitted, the report from the peer review team, and the institutional response to the report.

Summary of the Action: The Board determined that the Institution is no longer out of compliance with the Criteria for Accreditation and removed the Institution from Probation and assigned interim monitoring. The Institution meets Core Components 4.A, 4.B, and 5.B with concerns. The Institution is required to submit an Interim Report, as outlined below, no later than February 2023.

Notification Program: HLC policy¹ states that the Institution remains ineligible for the Notification Program for Additional Locations until it has completed ten (10) years in good standing as required for access.

Board Rationale

The Board based its action on the following findings made with regard to the Institution as well as the entire record before the Board:

The Institution now meets without concerns Criterion Two, Core Component 2.A, “the institution establishes and follows policies and processes to ensure fair and ethical behavior on the part of its governing board, administration, faculty and staff,” for the following reasons:

- The Bacone Board of Trustees (the "Bacone Board") has reviewed its Bylaws and has reengineered the Board in several important ways, including reducing the number of Board members, increasing the number of Board meetings, and implementing a

¹ INST.E.20.010, Probation.

presidential evaluation process. The Board has also retained new auditors and legal counsel.

- The process and documents now used in evaluating the president are comprehensive and rigorous.
- The Bacone Board initiated a self-evaluation process following the same guidelines and criteria as are used in evaluating the president.
- Bacone has secured a new Chief Financial Officer (CFO) with a background in forensic accounting, who quickly put people, policies, and procedures in place to secure timely financial information for audits. Operational improvements include reducing accounts receivable by 30%, reducing operational expenses by \$835,066 over two years, and increasing student submissions of the FAFSA to over 90%.
- Bacone has reviewed its liabilities, including notes payable, lines of credit, and bad debt. The Institution participated in two of the Federal Payroll Protection Programs (PPPs) for a combined total of \$1,083,100 in April 2020 and March 2021. The FY 2020 audit documents the April 2020 PPP loan of \$526,200. Both loans have been forgiven. CARES Act funding enabled Bacone to support students through scholarships and enhance technology and payroll. The Institution also recorded a net sale of assets totaling \$2,699,951. These funds helped secure an \$888,177 surplus for unrestricted funds and increased overall net assets. This in turn moved the CFI from 0.6 one year ago to 1.8 as evidenced in the FY 2020 audit.
- The FY 2022 budget shows a positive change in net assets of \$903,612. Projected revenue is \$7,210,067, a decrease from \$8,027,697 (without donor restrictions) in the FY 2020 audited Statement of Activities. The change in revenue estimates a \$600,000 increase in net tuition, while the expected sale of assets is reduced by \$1.7 million.

The Institution now meets without concerns Criterion Three, Core Component 3.C, “the institution has the faculty and staff needed for effective, high-quality programs and student services,” for the following reasons:

- The Faculty Handbook is now updated and contains revised policies and information that are relevant to the current climate and culture at Bacone. Within the newly evolving culture of the Institution, there is confidence that policies and procedures will be followed, and that managers of programs and units are responsible for maintaining a clear understanding of expenditures and revenues for their areas. Faculty have affirmed their understanding of handbook policies and are positive about what the changes will mean for the Institution.
- Teaching overloads are now tracked every teaching period and carefully reviewed by the VP for Academic Affairs, the Registrar, and Department chairs. The revised Faculty Handbook policies regarding overload are clearly delineated, and recent semester loads are reasonable and within the current policy. The Institution also added additional adjunct instructors for AY 2020-2021 to address the overload issue. The new Faculty Handbook states that the annual teaching load is 30 credits for each full-time faculty member, an increase from 27 credits. The Faculty Senate, Academic Affairs Committee, Faculty Assembly, and the Bacone Board approved the new

teaching load.

- The administration agreed to compensate faculty for overload beginning in fall 2021.
- The Faculty Handbook includes a formula for determining faculty overload pay. The pay rate is the same as adjunct pay, with a breakdown between courses with five or more students and courses with fewer than five students.

The Institution now meets, but with concerns, Criterion Four, Core Component 4.A, “the institution ensures the quality of its educational offerings,” for the following reasons:

- The Institution has established a Program Review Committee and is in the process of implementing its program review process utilizing a standard reporting template to collect initial reports from all programs. A program review report for the Division of Liberal Arts and interviews with faculty and the Dean of Accreditation and Research (DAR) document significant progress in this area. An Academic Program Review Calendar provides a schedule for completing program reviews for all academic programs over a five-year period.
- Bacone faculty, supported by the DAR, have been engaged in systematic analysis of data from across all academic programs, and those analyses provide insights into patterns of student success and alignment of learning outcomes with curriculum. Those insights, in turn, have led to data-informed decisions by the faculty and administration.
- Program review efforts have been heavily focused on the alignment of course outcomes to program outcomes for degree programs and the core curriculum, and the alignment of program and core curriculum outcomes to the Medicine Wheel. The Medicine Wheel is a graphic representation used by many Indigenous tribes to represent the four seasons, the cycles of life, spiritual dimensions, and other aspects of Indigenous culture. It is commonly used by tribal colleges as a structural model for institutional planning and other activities, linking those activities and timelines to traditional beliefs. Led by the DAR, all programs have participated in the alignment exercise, which yielded important and actionable information about program curricula and learning outcomes. In cases where faculty discovered gaps in alignment between each of the levels (course, program, general education, or Medicine Wheel) they have worked to make corrections.
- The Institution has conducted research into student success in core curriculum courses. Faculty worked closely with the DAR and the Registrar to study pass/fail rates for each core curriculum course offered from fall 2017 through spring 2021. They discovered considerable variability in pass rates across different courses and within sections of the same course. The data showed higher pass rates in introductory courses taught by full-time faculty than in the same courses taught by adjuncts. Because new college students are at greater risk for failure or dropout, the faculty determined that foundational general education courses should be taught by full-time faculty to ensure consistency in content, instruction, and student support. As a result, adjuncts will be used to teach more of the upper-level courses previously taught primarily by full-time faculty.
- Despite considerable progress in this area, more work is needed for Bacone to benefit

fully from the important information that thorough program review can provide. It is particularly important that future reviews include more complete data, thorough analysis and reflection by faculty, and conclusions and recommendations that are supported by the data. The DAR is aware of the need for more training in program review and is committed to supporting sound processes that yield useful information.

The Institution now meets, but with concerns, Criterion Four, Core Component 4.B, “the institution engages in ongoing assessment of student learning as part of its commitment to the educational outcomes of its students,” for the following reasons:

- Bacone has implemented an Assessment Handbook that articulates its commitment to assessment and provides a framework for assessment at the institutional, program, course, and co-curricular levels.
- The Bacone College Assessment Plan 2020-2021 details specific assessment activities to be undertaken. The Assessment Plan includes reporting for assessment activities, results, and planned follow-up. It also includes an Assessment Process and Timeline that lists activities to be completed for core curriculum, program, course, and co-curricular assessment, and timelines for completing the activities over the next several years.
- Although many of Bacone’s learning outcomes contain well-written, observable, and measurable descriptions of what students graduating from a program should know and be able to accomplish, there are still several outcomes that lack sufficient specificity as to be measurable. Additionally, Bacone has not sufficiently differentiated between learning outcomes at the associate’s and bachelor’s level in the Institution’s Criminal Justice and Christian Ministry programs.
- Some faculty training on outcomes assessment has occurred, and more is planned. Completed reporting templates for some programs are vague about the assessment measures to be used, while others are stronger, including rubrics and pre- and post-tests, among other tools. The Results and Continuous Improvement sections of the reports did not provide result summaries for the assessment measures identified, and the continuous improvement sections included references to professional meetings attended by faculty and chairs but did not include a clear connection between student performance on current assessment measures and intended improvements in student learning.
- Neither Bacone’s Assessment Report nor its Assessment Plan include a clear plan or timeline for the assessment of co-curricular outcomes, and the Institution’s focus on co-curricular assessment has not been fully implemented.

The Institution now meets without concerns Criterion Five, Core Component 5.A, “through its administrative structures and collaborative processes, the institution’s leadership demonstrates that it is effective and enables the institution to fulfill its mission,” for the following reasons:

- The appointment of the new CFO has already resulted in important improvements in the capacity of the Bacone Board and administrative leadership to guide the Institution, including the timely completion and distribution of what promises to be

- a balanced budget for FY 2022.
- Bacone has renewed its commitment to completing, distributing, and using audited financial statements in a timely manner.
- With the prospect of a more stable financial future and working with faculty governance groups, the administration has determined that beginning in fall 2021, overloads will be paid according to the approved policy now in the Faculty Handbook. The administration also plans to address outstanding amounts owed to faculty for past teaching for which they have not been paid.
- Most individual and organizational donors that have historically supported the Institution, even during recent financial challenges, have continued to give and have left most gifts unrestricted.
- Bacone's grant writer has detailed a robust schedule of grant submissions in order to provide a measure of budget relief via receipt of new grant awards.
- The CFO's reassignments of work responsibilities among some staff members have led to efficiencies and improved productivity that is evidenced by the time required to prepare for audits. The audit results will verify whether the restructuring of the Institution is reducing any material weaknesses in the financial statements.

The Institution continues to meet with concerns Criterion Five, Core Component 5.B, “the institution’s resource base supports its educational offerings and its plans for maintaining and strengthening their quality in the future,” for the following reasons:

- Bacone's new CFO has had an immediate and positive impact since her appointment in November 2020. The CFO has implemented communications and training for cost center managers on purchase orders, contracts, and their shared responsibility for expenses and revenues. The CFO's forensic accounting background has allowed her to move quickly in determining the issues needing attention and provides credibility with campus constituents.
- New Board members now go through an orientation process to verify they have the time and commitment to serve. The knowledge of Native American history and status is an essential aspect of being a trustee. Board members are leaders in their individual tribes and represent the diversity of the Native Americans whom they serve.
- The Board of Trustees has increased the number of meetings from two per year to four per year. The change ensures the Institution follows the “Campaign Hozho: a plan to rebuild Bacone College.” An annual self-evaluation has given the Board insight into its strengths and weaknesses. The evaluation process also assured the Trustees that all aspects of institutional planning are aligned with other key planning components.
- The Institution's financial progress can only be sustained if recent efforts led by Bacone's new CFO are fully supported by the Institution's constituents and any new initiatives to promote Bacone's fiscal stability are implemented with a vision for long-term success. The appointment of a permanent president with such a vision following recent changes in leadership must also be a priority.

The Institution now meets without concerns Criterion Five, Core Component 5.C, “the institution engages in systematic and integrated planning and improvement,” for the

following reasons:

- New financial software from Great Plains increases the Institution's financial competence by providing reports on budget vs. actual expenditures and historical trends as Bacone moves forward. The Institution is also reviewing new assessment software that will help deliver similar reports on academic programs. The Institution has pulled together a large amount of data since the fall 2020 Probation visit and additional work will determine what is useful for planning and what is not necessary.
- Short- and long-term plans have been implemented under Campaign Hozoho: A Plan to Rebuild Bacone College 2021-2026. In FY 2020, of the 269 enrolled students, 62% were Native American, a larger percentage than some existing tribal colleges. This plan strategically moves the Institution further toward its planned academic model for the future. The Institution had already downsized the number of athletic programs on campus.
- The completed strategic plan now guides all aspects of the Institution and includes the appropriate timelines, costs, assignment of responsibility, key performance indicators (KPIs), and milestones so that the document becomes a true measure of what Bacone has accomplished and where it is headed in the future.
- The strategic plan is in its early stages but has already led to changes in how the Institution conducts business and how it plans to secure a more stable future. One example of how the Institution has used information it has gathered to lead to improvement is in student housing, which was previously identified by students as the most critical need.
- All constituent groups on the campus and the Bacone Board have affirmed how important both budgeting and strategic planning have become. All understand that the plan is the foundational document to what happens on the campus. All are committed to presenting only well-researched proposals for inclusion in the plan, and the CFO confirmed that if an item is not in the plan, it is not added to the budget. This shift in thinking over a very short period is noteworthy.

The Board of Trustees of the Higher Learning Commission has determined based on the preceding findings and evidence in the record that the Institution has demonstrated that it is otherwise in compliance with the Criteria for Accreditation, Assumed Practices and Federal Compliance requirements.

Next Steps in the HLC Review Process

Interim Report: The Board required that the Institution submit an Interim Report no later than February 2023, regarding Core Components 4.A, 4.B, and 5.B.

Comprehensive Evaluation: The Institution has been placed on the Standard Pathway with its next comprehensive evaluation for reaffirmation of accreditation in 2025-26.

HLC Disclosure Obligations

The Board action resulted in changes that will be reflected in the Institution's Statement of Accreditation Status as well as the Institutional Status and Requirements Report. The Statement of Accreditation Status, including the dates of the last and next comprehensive evaluation visits, will be posted to the HLC website.

In accordance with HLC policy,² information about this action is provided to members of the public and to other constituents in several ways. This Action Letter and the enclosed Public Disclosure Notice will be posted to HLC's website not more than one business day after this letter is sent to the Institution. Additionally, a summary of Board actions will be sent to appropriate state and federal agencies and accrediting associations. This summary also will be published on HLC's website. The summary will include this HLC action regarding the Institution.

On behalf of the Board of Trustees, thank you in advance for your cooperation. If you have questions about any of the information in this letter, please contact your HLC Staff Liaison, Dr. John Marr.

Sincerely,



Barbara Gellman-Danley
President

Enc: Public Disclosure Notice

Cc: Chair of the Board of Trustees, Bacone College
Rebecca Truelove, Dean of Accreditation and Research, Bacone College
Evaluation Team Chair
John Marr, Vice President of Accreditation Relations, Higher Learning Commission
Anthea Sweeney, Vice President of Legal and Regulatory Affairs, Higher Learning
Commission

² COMM.A.10.010, Notice of Accreditation Actions, HLC Public Notices and Public Statements