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June 14, 2019

Mr. Kenneth Rosenthal
Interim President
Hampshire College
893 West Street
Amherst, MA 01002-3359

Dear President Rosenthal:

I write to inform you that at its meeting on May 31, 2019, the New England Commission of Higher Education considered the show-cause report submitted by Hampshire College and voted the following:

that action on the show-cause report submitted by the College be deferred, pending the receipt of a report to be considered at the Commission's November 2019 meeting that addresses the institution's progress in:

1. hiring a new president;
2. implementing best practices with respect to board governance;
3. developing and implementing realistic plans to:
 - a. achieve its goals for fundraising, including a report of cash and pledges received to date;
 - b. achieve its goals to rebuild enrollment and manage its discount rate;
 - c. improve the College's financial position and enhance its long-term sustainability including, as appropriate, continuing to reduce expenses and to explore a merger or strategic partnership;

that, absent evidence of substantial progress on the matters specified above, the Commission will, at its November 2019 meeting, take an action to place the College on probation or withdraw its accreditation;

that the College be issued a Notation that it is in danger of being found not to meet the Commission's standards on *Organization and Governance* and *Institutional Resources*;

that, should the College be continued in accreditation in November 2019, the Commission will, at that time, specify further monitoring in keeping with its Policy on Notation.

The Commission gives the following reasons for its action.

Action on the show-cause report submitted by Hampshire College was deferred because the Commission did not have enough information to make a determination about the College's compliance with the standards on *Organization and Governance* and *Institutional Resources*. At the time of its meeting with the Commission, Hampshire College had appointed an interim president and was beginning an "expedited" search for a permanent president. A new Board chair had been appointed for the upcoming year, and four new members of the Board had been elected. Through a combination of voluntary faculty reductions and staff lay-offs, the College had scaled back the number of employees to a level it believes will be able to serve well the 600 students it anticipates will enroll in Fall 2019. It had also articulated ambitious goals for fundraising (\$103 million over the next five years, with \$30 million dedicated to capital improvements) and enrollment (1,250 students by FY2024) and was beginning to "develop concrete plans" to achieve those goals. We understand the institution is optimistic that by improving the "value proposition" of a Hampshire College education by making substantial investments in the physical campus and "reinventing" the academic program, the College will be able to rebuild its enrollment and ensure its financial sustainability.

The Commission is gratified to learn that, at the time of its meeting with the Commission, Hampshire College had received \$3.2 million in cash and \$3.8 million in pledges, a significant increase over the previous year. However, we concur with the College's frank acknowledgment that the institution will need to realize considerable additional success in securing cash gifts and multi-year pledges from major donors during the next six months in order to have confidence that it will be able to meet its fundraising goals and recruit an incoming class for Fall 2020. We note that the College is developing teach-out plans and articulation agreements with other institutions of higher education, including those in the Five College Consortium, should Hampshire determine it will be unable to provide its students with an opportunity to complete their degrees at the institution.

Since Hampshire College is only in the early stages of developing plans to accomplish the fundraising and enrollment goals included in its show-cause report, the Commission is not yet persuaded that the College has the capacity to achieve the success necessary to ensure the College's compliance with the standards on *Organization and Governance* and *Institutional Resources*. Our concern is exacerbated by the recent decision of the College's chief financial officer to leave in July 2019 and by the fact that the College does not have a director of admissions and is relying on consultants and volunteers to support its enrollment management efforts while it rebuilds staffing in that area.

Therefore, before making a decision about the College's accreditation status, the Commission seeks further information and asks that Hampshire College submit a report by November 1, 2019 to include the items delineated above. The Commission expects that, by the time the November report is submitted, Hampshire College will have hired a permanent president; continued its efforts to ensure trustees understand their roles and responsibilities; developed realistic fundraising, enrollment, and financial plans; and begun the initial implementation of those plans. We recognize that achieving financial sustainability may involve further expense reductions and/or reconsideration of a merger or strategic partnership for the institution.

We ask that you send four paper copies and one electronic copy (single, searchable pdf file) of your report to the NECHE offices no later than November 1, 2019.

The Commission will review the College's report at its November 2019 meeting. Absent evidence of substantial progress, the Commission will, at its November 2019 meeting, take an action to place the College on probation or withdraw its accreditation, in keeping with our Policy on Range and Meaning of Commission action (enclosed and excerpted below):

Probation Status - When the Commission finds that an institution fails to meet one or more Standards for Accreditation and/or other policies, the Commission will withdraw accreditation (see below) or place the institution on probation. In such situations, the Commission will place an institution on probation if it determines that the failure to meet one or more Standards represents a condition that can be remedied by the institution within the time period allowed ... Institutions for which the longest degree program is at least two years will have a maximum period of two years to come into compliance with Commission Standards; institutions for which the longest degree program is at least one year but less than two years will have a maximum of eighteen months. In placing an institution on probation, the Commission may specify a shorter period of time during which the institution must demonstrate it has come into compliance with the Standards or face the loss of its accreditation.

Withdrawal of Accreditation - The Commission will withdraw the accreditation of an institution on probation if at the end of the specified time period, but not to exceed two years, the institution has not come into compliance with the Commission's Standards unless extended for good cause. The Commission may also withdraw the accreditation of an institution not on probation if it finds that the institution is not meeting one or more *Standards for Accreditation* and that this non-compliance is fundamental to the institution's integrity or its ability to come into compliance within the two-year period.

In addition, given the depth of the Commission's concern about the College, as expressed above and in our letter of April 18, 2019, the Commission issues a Notation to Hampshire College that it is in danger of being found not to meet the standards on *Organization and Governance* and *Institutional Resources*:

The institution has a system of governance that facilitates the accomplishment of its mission and purposes and supports institutional effectiveness and integrity. Through its organizational design and governance structure, the institution creates and sustains an environment that encourages teaching, learning, service, scholarship, and where appropriate, research and creative activity. It demonstrates administrative capacity by assuring provision of support adequate for the appropriate functioning of each organizational component. The institution has sufficient independence from any other entity to be held accountable for meeting the Commission's *Standards for Accreditation (Organization and Governance, Statement of the Standard)*.

The institution has sufficient human, financial, information, physical, and technological resources and capacity to support its mission. Through periodic evaluation, the institution demonstrates that its resources are sufficient to sustain the quality of its educational program and to support institutional improvement now and in the foreseeable future. The institution demonstrates, through verifiable internal and external evidence, its financial capacity to graduate its entering class. The institution administers its resources in an ethical manner and assures effective systems of enterprise risk management, regulatory compliance, internal controls, and contingency management (*Institutional Resources, Statement of the Standard*).

Commission policy defines a Notation as follows:

The Commission will impose a Notation when it determines that the public should be notified when conditions at an institution with respect to the Commission's *Standards for Accreditation* are such that the institution's candidacy or accreditation may be in jeopardy if current conditions continue or worsen.

An institution issued a Notation will be closely monitored by the Commission, including a focused evaluation within two years to assess the institution's success in addressing the identified concerns. If the Notation is for *Institutional Resources*, the visit will include a review of the institution's teach out plans and agreements and its academic records for students and alumni/ae to assess the policies and procedures in place with respect to the retention, safety and security, and disposal of those records.

If the Commission finds the institution has successfully addressed the concerns, it will remove the Notation and specify further monitoring. If the Commission has reason to believe that the institution may or may not meet one or more *Standards for Accreditation*, the Commission will ask the institution to show cause why it should not be on probation or why its accreditation should not be withdrawn. If the Commission finds that the concerns have not been sufficiently addressed, the Commission may issue a continued Notation.

The Notation will be communicated to the institution by letter, a copy of which will be sent to the Executive Committee of the institution's governing board. Commission staff will ask to meet within 90 days with broad-based representation of the institution's leadership, including the President and the chair of the governing board.

After formal communication to the institution, the Commission will make the Notation public, including to the relevant state agency or ministry.

Should Hampshire College be continued in accreditation following the Commission's review of the institution's report at its November 2019 meeting, the Commission will specify further monitoring in keeping with the Policy on Notation, to include a focused evaluation no later than Spring 2021.

The Commission expressed appreciation for the show-cause report prepared by Hampshire College and for the opportunity to meet with you and Trustees David Matheson and William Null, Mary McEneany, Vice President for Finance and Administration, Eva Rueschmann, Vice President for Academic Affairs and Dean of Faculty, and Beth Ward, Secretary of the College, during its deliberations.

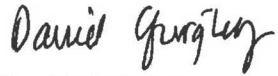
You are encouraged to share this letter with all of the institution's constituencies. It is Commission policy to inform the chairperson of the institution's governing board of action on its accreditation status and in the case of a Notation, to inform the executive committee of the governing board as well as the head of the state department of higher education. In a few days we will be sending a copy of this letter to Mr. Luis A. Hernandez, the Board Executive Committee, and Dr. Carlos Santiago. The institution is free to release information about the report and the Commission's action to others, in accordance with the enclosed policy on Public Disclosure of Information about Affiliated Institutions.

It is Commission policy to arrange a meeting with staff within 90 days of the issuing of a Notation. A member of the Commission staff will call to arrange a meeting with you and members of your governing board.

Mr. Kenneth Rosenthal
June 14, 2019
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If you have any questions about the Commission's action, please contact Barbara Brittingham,
President of the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "David Quigley". The signature is written in a cursive, flowing style.

David Quigley

DQ/jm

Enclosures

cc: Mr. Luis A. Hernandez and Board Executive Committee
Dr. Carlos E. Santiago