



DLAB

Distance Learning Authorization Board

State of Wisconsin Distance Learning Authorization Board (DLAB)

March 17, 2023
Time – 8:45 a.m.
Virtual Meeting

AGENDA

1. Call to Order, Roll Call and Open Meeting Statement – Dr. Morna Foy, DLAB Chair
2. Action: Approval of Institutional Renewal Application
 - a. Wisconsin Association of Independent Colleges and Universities – Rebecca Larson
 - i. Nashotah House Theological Seminary (Attachment A)
3. Adjourn

Attachment:

A: Nashotah House Theological Seminary – NC-SARA Renewal Application

For Public To Attend/Connect to Meeting: If you wish to listen to the meeting, please contact Sonja Umberger at sonja.umberger@waicu.org or (608) 204-5222 to obtain instructions on how to join the call.



**National Council for
State Authorization
Reciprocity Agreements**

MHEC • NEBHE • SREB • WICHE

Institution Name Nashotah House Theological Seminary

Institution State Wisconsin

Initial Application _____

Renewal Application X

Application and Approval Form for Institution Participation in SARA¹

An institution applying to operate under the State Authorization Reciprocity Agreements (SARA) must submit **this form to its Home State's SARA Portal Entity.**

The chief executive officer (CEO) or chief academic officer (CAO) of the institution affirms each section, completes and submits the application including any State fees and commits to any special requirements of the SARA State Portal Entity permitted by SARA.

When the State Portal Entity enters "yes" on this form, the State affirms that the applicant institution has followed proper procedures and provided necessary documents to operate under SARA.

To review the application process, visit the [Application and Process](#) page on the NC-SARA website.

An institution seeking approval to operate under the policies of SARA must meet the following requirements:

	Requirements for Institution Participation in SARA	INSTITUTION CEO or CAO Initial each line	SARA State Portal Entity confirms the institution meets the requirement
	Core Requirement		
1.	In a SARA member state, the main campus or central administrative unit is domiciled in a state, territory or district that has joined the State Authorization Reciprocity Agreement (SARA) initiative and is authorized to operate in that state ² . Only distance education content originating in the United States, a U.S. territory, or district and provided from within a SARA state is eligible to be offered under SARA. ³ (Attach documentation.)	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>
	Consumer Protection		
2.	Accreditation The institution is a U.S. degree-granting institution that is accredited by an accrediting body recognized by the U.S. Secretary of Education and whose scope of authority, as specified by the Department, includes distance education. (Attach documentation of accreditation verification). Name of Accrediting Agency: <u>Association of Theological Seminaries</u>	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>

¹ "NC-SARA" refers to the organization, whereas "SARA" refers to the agreement.

² SARA considers the Home Campus to be where an institution has its legal domicile. Any disputes about which state is the home state will be resolved for SARA purposes by the affected regional compacts or the National Council (NC-SARA), as needed.

³ The fact that a foreign institution is owned by a U.S. entity does not qualify distance education originating from the non-U.S. institution to be offered under SARA. Only distance education under the oversight of the U.S. state, territory or district can be offered through SARA.

	Requirements for Institution Participation in SARA	INSTITUTION CEO or CAO Initial each line	SARA State Portal Entity confirms the institution meets the requirement
3.	Accreditation status The institution agrees to notify its home state's SARA Portal Entity of any negative changes to its accreditation status.	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>
4.	Federal Financial Responsibility Composite Score For non-public institutions, the institution's most recent financial responsibility composite score from the U.S. Department of Education is 1.5 or above, or, if the score is between 1.0 and 1.49, the State Portal Entity can affirm that documentation has been provided to demonstrate financial stability sufficient to justify institutional participation in SARA. If an institution is owned by a "corporate parent," the federal financial responsibility composite score of its "parent" must meet these requirements. Note: Public institutions leave this blank. FFRCS <u>1.4</u> Year Reporting (most recent published) <u>2020</u>	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>
5.	Abide by C-RAC Guidelines The institution agrees to abide by the <i>Interregional Guidelines for the Evaluation of Distance Education</i> and provisions of the <i>SARA Policy Manual</i> .	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>
6.	Responsible for institution activities The institution agrees to be responsible for the actions of any third-party providers used by the institution to engage in operations under SARA.	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>
7.	Will resolve complaints The institution agrees to work with its Home State's SARA Portal Entity to resolve any complaints arising in SARA states, and to abide by the decisions of that entity regarding resolution of such complaints. ⁴	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>
8.	Application signed by CEO or CAO The institution agrees to apply to its Home State's Portal Entity. The application will be submitted with the signature of the institution's chief executive officer or chief academic officer.	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>
9.	Agree to professional licensure disclosures The institution agrees to provide notifications to students related to professional licensure. Any institution approved to participate in SARA that offers courses or programs designed to lead to Professional Licensure or certification or advertised as leading to Licensure must satisfy all federal requirements for disclosures regarding such Professional Licensure programs under 34 §C.F.R. 668.43. For SARA purposes, these requirements will also apply to non-Title IV institutions. For SARA purposes, institutions that are unable, <i>after all reasonable efforts</i> , to determine whether a program will meet state professional licensure requirements shall provide the student or applicant with current contact information for any applicable licensing boards, and advise the student or applicant to determine whether the program meets requirements for Licensure in the State where the student is located.	GPA	Yes or No <input checked="" type="checkbox"/> <input type="checkbox"/>

⁴ Complaints must follow the institution's customary resolution procedure before being referred to the state under SARA policy. Grade appeals and student conduct appeals are not allowed under SARA.

	Requirements for Institution Participation in SARA	INSTITUTION CEO or CAO Initial each line	SARA State Portal Entity confirms the institution meets the requirement
	An email dedicated solely to this purpose and sent to the student's best-known email address meets this requirement. The institution should use other additional means to notify the student, if needed.		
10.	<p>Instruction</p> <p>The institution agrees that in cases where the institution cannot fully deliver the instruction for which a student has contracted, to provide a reasonable alternative for delivering the instruction or reasonable financial compensation for the education the student did not receive. This may include tuition assurance funds, surety bonds, irrevocable letter of credit, assistance with transfer, teach-out provisions or other practices deemed sufficient to protect consumers.</p>	GPA	<p>Yes or No</p> <input checked="" type="checkbox"/> <input type="checkbox"/>
11	<p>Catastrophic events</p> <p>The institution agrees that it has well-documented policies and practices for addressing catastrophic events. The institution agrees to provide the catastrophic event policy and disaster recovery procedures to the State Portal Entity, if/when requested. Impacted students will receive the services for which they have paid or reasonable financial compensation for those not received. This may include tuition assurance funds, surety bonds, irrevocable letter of credit, assistance with transfer, teach-out provisions or other practices deemed sufficient to protect consumers. The institution agrees that it and/or its home state has adequate measures to protect student records in the event of closure.</p>	GPA	<p>Yes or No</p> <input checked="" type="checkbox"/> <input type="checkbox"/>
12.	<p>Agree to Provisional status</p> <p>The institution agrees to abide by conditions of provisional approval, if necessary.</p>	GPA	<p>Yes or No</p> <input checked="" type="checkbox"/> <input type="checkbox"/>
	Fees		
13.	<p>Agree to pay State fees</p> <p>The institution agrees to pay to its Home State any State fees for SARA participation required by the Home State for administering SARA.</p>	GPA	<p>Yes or No</p> <input checked="" type="checkbox"/> <input type="checkbox"/>
14.	<p>Agree to pay SARA fees</p> <p>The institution agrees to pay its annual SARA participation fee to the National Council for State Authorization Reciprocity Agreements (NC-SARA).</p>	GPA	<p>Yes or No</p> <input checked="" type="checkbox"/> <input type="checkbox"/>
	Data		
15.	<p>Agrees to share data</p> <p>The institution agrees to provide data necessary to monitor SARA activities, including annual reporting of distance education enrollments and out-of-state learning placements by state, in accordance with the <u>NC-SARA Data Sharing Agreement</u> and relevant reporting handbooks.</p>	GPA	<p>Yes or No</p> <input checked="" type="checkbox"/> <input type="checkbox"/>

Section 2 - Institutional Designation and Action and Information

I, the undersigned representative of (institution name) Nashotah House Theological Seminary
having the authority to commit the institution to operate under the SARA interstate agreement, hereby certify that
this institution meets all of the policies stated herein required for operation by the *SARA Policy Manual*.

Mailing address of the institution: 2777 Mission Road
City, State, Zip: Nashotah, WI 53058

Institution OPEID number: 00387400

Type of Institution
Public institution Tribal institution
Independent not-for-profit institution Other _____
Independent for-profit institution

Is the institution owned by another entity? Yes No
If yes, list official name of parent company: _____
If yes, official address of parent company: _____

Does the institution participate in Title IV? Yes No _____

Institution link to SARA student complaint process: <https://nashotah.edu/academics/student-resources/complaints-process/>
Optional additional link for website if necessary: _____

Institution link to Professional Licensure disclosures: N/A

IPEDS Related Information

Institution IPEDS identification number: 239424
Institution FTE (latest IPEDS): 93 Year reporting 2022/2023
Check one of the boxes below:
Institution with fewer than 2,500 FTE students:
Institution with between 2,500 and 9,999 FTE students: _____
Institution with 10,000 or more FTE students: _____

Institution Contact Information for SARA

Primary Contact

Name: Jason Terhune
Title: Sr. Dir. of Operations & Student Services
Email: jterhune@nashotah.edu
Phone: 262-646-6518

Secondary Contact

Name: Jim Watkins
Title: Director of Distributed Education
Email: jwatkins@nashotah.edu
Phone: 262-256-0982

Billing Contact

Name: LaNae Muench
Title: Senior Accountant
Email: lmuench@nashotah.edu
Phone: 262-646-6508

Additional campus information:

List all campuses, as defined by SARA policy, with distance education activity covered by SARA policies.

Institution Name: _____
Address: _____
City, State Zip: _____

Institution Name: _____
Address: _____
City, State Zip: _____

Institution Name: _____
Address: _____
City, State Zip: _____

Institution Name: _____
Address: _____
City, State Zip: _____

Institution Name: _____
Address: _____
City, State Zip: _____

Use additional paper if necessary.

Typed name of institutional signatory officer: Garwood Anderson
Email: ganderson@nashotah.edu
Phone: 262-646-6523

Title of signatory institutional officer: CEO
The chief executive officer (CEO) or chief academic officer (CAO) of the institution completes and submits the application.

Signature: 

Date: 02/21/2023

Section 3 - SARA State Supplemental Sheet for Institutions

SARA provides a degree of flexibility for States as they implement policy. Information about State-specific provisions may be added on this page for items such as fees (if any) to be charged to in-state institutions, criteria for consideration of appeals of institutions having financial responsibility composite scores between 1.0 and 1.49, etc. Institutions are reminded to check with their SARA State Portal Entity for additional Home State requirements and State Fees.

State fee (if any):

State bonding requirement of institution (if any):

Financial responsibility criteria for federal financial composite score ratings 1.0-1.49:

Section 4 - SARA State Portal Entity Action and Information

Institution application

- Approved
- Provisionally Approved
- Returned for Additional Data or Information
- Denied

Conditions related to Provisional Approval:

Include submission of SARA Institution Provisional Participation Form

Typed name of SARA State Portal Entity: _____

Typed name of Primary SARA State Portal Entity contact: _____

Signature _____ Date _____

Title of SARA State Portal Entity contact: _____

SARA State Portal Entity email: _____

SARA State Portal Entity phone: _____

Typed name of Secondary SARA State Portal Entity contact: _____

Title of Secondary SARA State Portal Entity contact: _____

Secondary SARA State Portal Entity email: _____

Secondary SARA State Portal Entity phone: _____



EXECUTIVE ORDER #151

Relating to Postsecondary Educational Institution Compliance with the U.S. Department of Education Program Integrity Rule

WHEREAS, federal student financial aid provides a critical source of funding to help keep colleges affordable for Wisconsin students and working families;

WHEREAS, the Final Rule adopted by the United States Department of Education at 75 Fed. Reg. 66832-66975 (October 29, 2010), commonly known as the Program Integrity Rule, was instituted for the purpose of improving integrity in the programs authorized under Title IV of the Higher Education Act of 1965, as amended, (HEA), by amending the regulations for institutional eligibility under the HEA;

WHEREAS, HEA § 101(a)(2) defines an institution of higher education to be an educational institution in any state that is legally authorized within such state to provide a program of education beyond secondary education;

WHEREAS, the Program Integrity Rule requires that an institution of higher education that applies to participate in a federal program under the HEA must demonstrate that it has the legal authority to offer postsecondary education in accordance with 34 CFR § 600.9;

WHEREAS, the Program Integrity Rule further requires that an institution of higher education make the appropriate contact information available to enable a student or prospective-student to file complaints with an institution's accreditor, state approval or licensing entity, or other agency that would appropriately handle a student's complaint, and that the state should exercise the primary role and responsibility for student consumer protection against fraudulent or abusive practices by an institution of higher education;

WHEREAS, a state may fulfill its oversight role for student complaints against institutions of higher education through a state agency, the state attorney general, other appropriate state officials, or a combination of state agencies and state officials;

WHEREAS, according to United States Department of Education guidance issued in the Dear Colleague Letter dated March 17, 2011, a state may rely on a governing board or central office of a state-wide system of public institutions if the state has made the determination that the governing board or central office is sufficiently independent to provide successful oversight of complaints for the institutions in that system;

WHEREAS, pursuant to statutory authority, the University of Wisconsin System Board of Regents, the University of Wisconsin System Office of

Administration, the Wisconsin Technical College System Board, and the Wisconsin Technical College System Office are governing boards and central offices of their respective state-wide systems of public institutions; and

WHEREAS, the Wisconsin Association of Independent Colleges and Universities is the official organization of the Wisconsin private, nonprofit colleges and universities and is so recognized in state statute.

NOW THEREFORE, I, TONY EVERS, Governor of the State of Wisconsin, by virtue of the authority vested in me by the Constitution and laws of the State of Wisconsin, do hereby affirm:

1. The following institutions constitute institutions of higher education under HEA § 101 (a)(2) and are legally authorized in the State of Wisconsin by means of charter, statute, constitutional provision or other action issued by an appropriate state agency or state entity that identifies the institution by name and affirms or conveys to the institution the authority to operate educational programs beyond secondary education, including programs leading to a degree or certificate in accordance with 34 CFR § 600.9: Alverno College; Bellin College; Beloit College; Cardinal Stritch University; Carroll University; Carthage College; Concordia University Wisconsin; Edgewood College; Herzing University; Lakeland University; Lawrence University; Maranatha Baptist University; Marian University; Marquette University; Medical College of Wisconsin; Milwaukee Institute of Art and Design; Milwaukee School of Engineering; Montessori Institute of Milwaukee; Mount Mary University; Nashotah House; Northland College; Ripon College; Sacred Heart Seminary and School of Theology; St. Norbert College; Shepherds College; Viterbo University; Wisconsin Lutheran College; Wisconsin School of Professional Psychology; University of Wisconsin-Eau Claire, University of Wisconsin-Green Bay, University of Wisconsin-La Crosse, University of Wisconsin-Madison, University of Wisconsin-Milwaukee, University of Wisconsin-Oshkosh, University of Wisconsin-Parkside, University of Wisconsin-Platteville, University of Wisconsin-River Falls, University of Wisconsin-Stevens Point, University of Wisconsin-Stout, University of Wisconsin-Superior, University of Wisconsin-Whitewater; Blackhawk Technical College, Chippewa Valley Technical College, Fox Valley Technical College, Gateway Technical College, Lakeshore Technical College, Madison Area Technical College, Milwaukee Area Technical College, Mid-State Technical College, Moraine Park Technical College, Nicolet Area Technical College, Northcentral Technical College, Northeast Wisconsin Technical College, Northwood Technical College, Southwest Wisconsin Technical College, Waukesha County Technical College, and Western Technical College.
2. The above-named Wisconsin institutions of higher education are exempt from additional state authorization requirements due to each institution's accreditation by one or more accrediting agencies recognized by the Secretary of the United States Department of Education, or as a result of the institutions being in operation for at least 20 years, pursuant to 34 CFR § 600.9.
3. Pursuant to statutory authority under Chapter 36 of the Wisconsin Statutes, the University of Wisconsin System Board of Regents and the University of Wisconsin System Office of Administration, as a governing board and central office, are both sufficiently independent from their institutions to receive, review, and resolve student or prospective-student complaints alleging violations of state consumer protection laws, including false advertising, violations of state laws or rules related to the licensure of postsecondary institutions, and complaints relating to the quality of education or other state or

accreditation requirements, in compliance with the Program Integrity Rule.

4. Pursuant to statutory authority under Chapter 38 of the Wisconsin Statutes, the Wisconsin Technical College System Board and the Wisconsin Technical College System Office, as a governing board and central office, are both sufficiently independent from their technical college districts to receive, review, and resolve student or prospective student complaints alleging violations of state consumer protection laws, including false advertising, violations of state laws or rules related to the licensure of postsecondary institutions, and complaints relating to the quality of education or other state or accreditation requirements, in compliance with the Program Integrity Rule.
5. The board of directors of the Wisconsin Association of Independent Colleges and Universities, as the official organization of Wisconsin private, nonprofit colleges and universities under Sections 15.185(5)(c), 15.377, 15.67, 15.675(1)(c), 16.979, 36.31(2m)(a)3., 39.285, 39.30, 39.395, 39.41, 39.435, 39.437(4)(a), 39.49, 115.297, 118.19(1c)(a), 118.55, and 440.52(11)(d) of the Wisconsin Statutes, is fully prepared to support and facilitate coordination with statutory and constitutional agencies to ensure successful oversight over student or prospective-student complaints alleging violations of state consumer protection laws, including false advertising, violations of state laws or rules related to the licensure of postsecondary institutions, and complaints relating to the quality of education or other state or accreditation requirements, in compliance with the Program Integrity Rule.
6. Pursuant to Section 440.52 of the Wisconsin Statutes, the Wisconsin Department of Safety and Professional Services has the authority to regulate certain postsecondary for-profit and out-of-state nonprofit institutions offering instruction and doing business within the state.
7. The Wisconsin Department of Safety and Professional Services, and the institutions that comprise the University of Wisconsin System, the Wisconsin Technical College System, and the Wisconsin Association of Independent Colleges and Universities, maintain and provide ongoing review of policies and procedures to adequately receive, investigate, and manage the majority of student complaints regarding institutional programs and activities in a timely, effective, and transparent manner.
8. In addition to the full array of institutional policies and procedures provided by the colleges, universities, systems, and agencies identified herein, the State of Wisconsin has the requisite and duly authorized statutory and constitutional state agencies to provide necessary oversight and review of complaints against postsecondary institutions through one or more of the following agencies: the Department of Public Instruction, Section 15.37 of the Wisconsin Statutes; the Department of Agriculture, Trade and Consumer Protection, Section 15.13 of the Wisconsin Statutes; the Department of Safety and Professional Services, Section 15.40 of the Wisconsin Statutes; the Department of Financial Institutions, Section 15.18 of the Wisconsin Statutes; and the Department of Justice, Section 15.25 of the Wisconsin Statutes. The above state agencies shall provide oversight and review of such complaints only upon request or referral of such complaints by the University of Wisconsin System Board of Regents, the University of Wisconsin System Office of Administration, the Wisconsin Technical College System Board, the Wisconsin Technical College System Office, or the Wisconsin Association of Independent Colleges and Universities, unless otherwise required by state law.

9. This Executive Order supersedes Executive Order #37 signed on July 30, 2019, which superseded Executive Order #270 signed on January 12, 2018, which superseded Executive Order #147 signed on December 30, 2014, which superseded Executive Order #97 signed on February 1, 2013, which superseded Executive Order #59 signed on February 15, 2012, which superseded Executive Order #37 signed on June 28, 2011.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great seal of the State of Wisconsin to be affixed. Done at the Capitol in the City of Madison this twenty-eighth day of December in the year of two thousand twenty-one.



TONY EVERS
Governor

By the Governor:



DOUGLAS LA FOLLETTE
Secretary of State

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Public Notice: HEAB Exempt Institutions List 2020

Higher Educational Aids Board (HEA)

Related to: Wisconsin-based postsecondary institutions that are legally authorized in Wisconsin

Listing of Exempt Institutions

December 2020

As required by s. 39.87, *Wis. Stats*, the following lists Wisconsin-based postsecondary institutions that are legally authorized in Wisconsin, that constitute institutions of higher education under 20 USC 1001(a)(2), and that are exempt from additional state authorization requirements as provided under the program integrity rules:

Alverno College	Bellin College	Beloit College
Cardinal Stritch University	Carroll University	Carthage College
Columbia College of Nursing	Concordia University Wisconsin	Edgewood College
Herzing University	Lakeland University	Lawrence University
Maranatha Baptist University	Marian University	Marquette University
Medical College of Wisconsin	Milwaukee Institute of Art and Design	Milwaukee School of Engineering
Montessori Institute of Milwaukee	Mount Mary University	Nashotah House
Northland College	Ripon College	Sacred Heart Seminary and School of Theology
St. Norbert College	Shepards College	Wisconsin School of Professional Psychology
Viterbo University	Wisconsin Lutheran College	University of Wisconsin – La Crosse
University of Wisconsin – Eau Claire	University of Wisconsin – Green Bay	University of Wisconsin – Oshkosh
University of Wisconsin – Madison	University of Wisconsin – Milwaukee	University of Wisconsin – River Falls
University of Wisconsin – Parkside	University of Wisconsin - Platteville	

University of Wisconsin – Stevens Point	University of Wisconsin – Stout	University of Wisconsin – Superior
University of Wisconsin – Whitewater	Blackhawk Technical College	Chippewa Valley Technical College
Fox Valley Technical College	Gateway Technical College	Lakeshore Technical College
Madison Area Technical College	Milwaukee Area Technical College	Mid-State Technical College
Moraine Park Technical College	Nicolet Area Technical College	Northcentral Technical College
Northeast Wisconsin Technical College	Southwest Wisconsin Technical College	Waukesha County Technical College
Western Technical College	Wisconsin Indianhead Technical College	

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Links to Admin. Code and Statutes in this Register are to current versions, which may not be the version that was referred to in the original published document.



February 7, 2020

Garwood Anderson
Nashotah House
2777 Mission Road
Nashotah, WI 53058-9793
ganderson@nashotah.edu

Dear Dr. Anderson,

The Board of Commissioners met in Pittsburgh, Pennsylvania, on January 30-31, 2020, and included on its agenda Nashotah House's recent comprehensive visit and the resulting report by the evaluation committee.

After reviewing the information in light of the pertinent Commission Standards and *Procedures*, the Board voted:

1. To reaffirm the accreditation of Nashotah House for a period of seven years, with the next comprehensive evaluation visit in fall of 2026, one term before the period of accreditation expires on March 31, 2027.
Rationale if less than maximum period: The reasons for this length of recommended reaffirmation period are: [1] significant concerns about the school's ability to maintain financial viability, and [2] the significant turnover in personnel that the school has recently undergone.
2. To approve the following degree programs:
 - Master of Divinity
 - Master of Ministry (Professional MA)
 - Master of Pastoral Ministry (Professional MA)
 - Master of Theological Studies (Academic MA)
 - Master of Sacred Theology
 - Doctor of Ministry
3. To approve the following extension sites: None
4. To grant approval to offer comprehensive distance education: Yes
5. To encourage that attention be given to maintaining and enhancing these distinctive strengths:
 - a. Commitment to delivering immersive, formational theological education in the Anglo-Catholic tradition.
 - b. Resilience and renewed *esprit de corps* among faculty, students, and administration despite difficult financial circumstances, ecclesial conflict and theological differences, tragedy, and changes in leadership.
 - c. Responsiveness to best practices, such as engagement in ATS training to improve the assessment of student learning and progress towards improved governance.
6. To encourage that attention be given to the following areas of needed growth during the next period of accreditation:
 - a. The school should work to promote the participation and leadership of women in the institution, within the framework of the school's stated purpose and theological commitments (Standard 2, section 2.6), with particular attention to the composition of the faculty and representation throughout the life of the institution, including liturgy and board membership (Standard 5, sections 5.1.3 and 5.1.7).
 - b. The school should work to discern the appropriate structure and model for administrative leadership and to clearly define and honor the distinctions between the administration and the governing board (Standard 7, section 7.3).

Nashotah House
February 7, 2020
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- c. While the school's field education program is effective in its current form, the school should seek to improve its field education program by systematizing site selection and ensuring that field education supervisors are properly selected and oriented to their work (Standard A, section A.2.5, and Standard B, section B.2.5).
7. To require the following reports addressing areas of needed improvement:
 - a. To require a report by April 1, 2020, providing the school's completed FY2019 audit (and management letter, if appropriate) and demonstrating that these have been received and reviewed by the governing board (Standard 8, section 8.2.2). The report should also document board discussion related to performance measured against the strategic plan.
 - b. To require a report by April 1, 2021, regarding progress toward financial equilibrium (Standard 8, section 8.2.1). The report should include the FY2020 audit, management letter (if available), the school's analysis of its FY2019 and FY2020 operating revenues and expenditures, budget projections for FY2021 and FY2022, with particular attention to progress toward achieving the ambitious recruitment and fundraising goals, and a report on the school's progress toward reducing its operating deficits. The report should also include an update on the school's "path to sustainability," noting both progress in achieving the plan and any revisions or significant changes to the plan itself. The institution is reminded that failure to demonstrate continued progress toward financial equilibrium may result in the imposition of Notation N8.b (*"The institution's financial resources are not adequate for long-term institutional vitality and there is no credible plan to address this issue in a timely and effective manner"*) and/or may result in the requirement of a focused visit.

Actions taken during the 2020 winter meeting of the Board of Commissioners are effective as of **January 31, 2020**.

Please contact me with any questions.

Sincerely,



Debbie Creamer
Senior Director of Accreditation

/cmt

cc: N/A



December 14, 2021

Dr. Garwood P. Anderson, President
Nashotah House
2777 Mission Road
Nashotah, Wisconsin 53058-9793

Email: ganderson@nashotah.edu

Re: Provisional Certification Alternative
OPE ID: 00387400
Financial Statements Fiscal Year FYE: 2020

Dear Dr. Anderson:

The Atlanta School Participation & Financial Analysis Division-(ASPFAD) has completed its review of the fiscal year ended 06/30/2020 audited financial statements of Nashotah House Foundation, Inc. on behalf of Nashotah House.

In assessing the financial strength of Nashotah House, our financial analyst reviewed the financial statements using the indicators that are set forth in regulations at 34 C.F.R. § 668.171.

Financial Ratios 34 C.F.R. § 668.171(b)(1)

These statements yield a composite score of 1.4 out of a possible 3.0. A minimum score of 1.5 is necessary to meet the requirement of the financial standards. Accordingly, Nashotah House fails to meet the standards of financial responsibility as described in 34 C.F.R. § 668.172, Financial Ratios.

Even though your current composite score falls within the zone scoring parameters, participation under the Zone Alternative is restricted to institutions whose previous composite was 1.5 or higher. Since Nashotah House's previous composite score was 0.6, it cannot participate under the Zone Alternative delineated in regulations at 34 C.F.R. § 668.175(d)(1)(B)(ii) and the institution continues to not meet financial responsibility standards.

Past Performance 34 C.F.R. § 668.171(b)(4)

As provided under the past performance provisions in §668.174(a) and (b)(1), an institution is not financially responsible if the institution has been cited during the preceding five years for failure to timely submit an acceptable annual compliance and/or financial statement audit. This means that Nashotah House will not be financially responsible under the Department's

regulations for five years from September 27, 2018, or longer if the institution provides untimely submissions in subsequent years.

In view of its failure to meet the financial responsibility standards, Nashotah House may continue to participate in the Title IV, HEA programs by selecting the following alternative:

1. Provisional Certification Alternative (34 C.F.R. § 668.175(f)):

Under this alternative, Nashotah House is required to submit financial protection by providing an irrevocable letter of credit, cash, or entering into an agreement with the Secretary under which earned funds are offset, in the amount of \$26,597 and continue to be provisionally certified for a period of up to three complete award years. This amount represents 10% of the Title IV, HEA program funds received by Nashotah House during its most recently completed fiscal year

Nashotah House must comply with all of the requirements specified for the Provisional Certification Alternative in 34 C.F.R. § 668.175(f), including the Zone Alternative in 34 C.F.R. § 668.175(d)(2) and (3), and Requesting Funds 668.162(d), including the disbursement of Title IV, HEA program funds under the cash monitoring 1 payment method. By choosing this option, Nashotah House acknowledges that it has not met the U.S. Department of Education's (Department) standards of financial responsibility.

Compliance with Zone Alternative Requirements:

1) **Method of Payment** – Nashotah House is required to make disbursements to eligible students and parents under either the cash monitoring or reimbursement payment method as described under 34 C.F.R. § 668.162(d).¹

Under the Heightened Cash Monitoring (HCM) payment method as stated in 668.162(d), the institution must first make disbursements to eligible students and parents and pay any remaining credit balances before it requests or receives funds for the amount of those disbursements from the Department. The funding request may not exceed the amount of the actual disbursements that were made to the students and parents included in the funding request. Providing the student accounts are credited before the funding requests are initiated, the institution is permitted to draw down funds through the Department's electronic system for grants management and payments, G5, for the amount of disbursements it made to eligible students and parents. All credit balances must be paid prior to draw down of funds, even if the student/parent signed a credit balance authorization in the past. Authorization forms used prior to July 1, 2016 are no longer valid. The use of credit balance authorization forms is prohibited.

The Records First requirement also means that institutions on HCM1 that are participating in the Direct Loan (DL) program will have their Current Funding Level (CFL) reduced to the greater of Net Approved and Posted Disbursements (NAPD) or Net Draws (processed payments less all refunds, returns, offsets, and drawdown adjustments). In the event of returning to Advanced

¹ Please refer to the Federal Register issued on December 11, 2020 for COVID-19 guidance relating to HCM1.

Funded status, the institution will be expected to continue processing DL awards as Records First until the next DL global funding increase is processed.

Please refer to the document titled: **Reminders and 2020–21 Funding Authorization and Disbursement Information Attachment to April 2020 Electronic Announcement** posted to the Knowledge Center for additional information:

[Reminders2021FundingAuthorizationandDisburseInfo.pdf \(ed.gov\)](#)

2) **Notification Requirements** – Nashotah House is required to provide information to the SPD by sending an email to Marion.Peak@ed.gov and via the Document Management System found at the Common Origination and Disbursement Web Site: <https://cod.ed.gov/cod/LoginPage> no later than 10 days after any of the oversight or financial events, as described below, occur. Nashotah House must also include with the information it submits, written notice that details the circumstances surrounding the event(s) and, if necessary, what steps it has taken or plans to take, to resolve the issue. Please upload your response into the *HCMI Monitoring* folder. (Please refer to the **Presentation Title: Partner Eligibility and Oversight Services Document Center** training podcast posted to the Knowledge Center web site for specific uploading instructions: [Partner Eligibility and Oversight Services Document Center | Knowledge Center.](#))

- Any adverse action, including probation or similar action, taken against the institutions by its accrediting agency, any State agency or other Federal agency;
- Any event that causes Nashotah House, or related entity as defined in the Accounting Standards Codification (ASC) 850, to realize any liability that was noted as a contingent liability in Nashotah House's or related entity's most recent audited financial statements;
- Any violation by Nashotah House of any loan agreement;
- Any failure of Nashotah House to make a payment in accordance with its debt obligations that results in a creditor filing suit to recover funds under those obligations;
- Any withdrawal of owner's equity/net assets from Nashotah House by any means, including by declaring a dividend;
- Any losses that are unusual in nature or infrequently occur or both as defined in accordance with Accounting Standards Update 2015-01 and ASC 225; or
- Any filing of a petition by Nashotah House for relief in bankruptcy court.

Action Required

Nashotah House must notify the Department of the selection of one of these two alternatives in writing to this office within 14 calendar days of receipt of this letter. Please send your response by sending an email to Marion.Peak@ed.gov and via the Document Management System found at the Common Origination and Disbursement Web Site: <https://cod.ed.gov/cod/LoginPage>. Please upload your response into the *School Response to Options Letter* folder. Please refer to the training podcast posted to the Knowledge Center web site for specific uploading instructions: [Partner Eligibility and Oversight Services Document Center | Knowledge Center.](#))

If Nashotah House selects the Provisional Certification Alternative, all requirements of that alternative as listed above will be effective the date the Department receives notification of the selection.

Letter of Credit Requirements

The irrevocable letter of credit must be made payable to the Secretary, U.S. Department of Education.

A sample irrevocable letter of credit is enclosed. Nashotah House's letter of credit must be issued by a United States bank. Your lending institution must use this format on its letterhead with no deviation in the language contained therein. The letter of credit must provide coverage until 12/31/2023. The irrevocable letter of credit must be received prior to 45 calendar days from the date of this letter.

Please mail the irrevocable letter of credit to the following address:

Patrice Fleming, Director
Performance Management Group
U.S. Department of Education
Federal Student Aid
830 First Street, NE, UCP3, MS 5435
Washington, DC 20002-8019

Nashotah House is required to notify the Atlanta School Participation & Financial Analysis Division within 3 calendar days, in the event the LOC issuing institution should fail, resulting in financial transactions and operations being administered by the Federal Deposit Insurance Corporation (FDIC). Nashotah House will also be required to submit a new replacement LOC issued by a different and non-failed U.S. bank insured by FDIC, within 45 calendar days.

Cash Surety Requirements

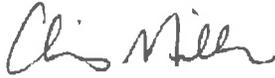
If Nashotah House chooses to submit cash surety, Nashotah House must notify the Department so that an escrow account to hold the funds can be established. The Department will provide instructions on how to submit the cash surety separately if this option is selected. The cash surety must be received within 45 days from the date of this notification.

Please note if Nashotah House fails to provide the irrevocable LOC or Cash within 45 calendar days *the institution will also be subject to termination under 34 C.F.R. § 668.86, revocation of its PPA, or denial of a pending application for recertification. Also, please note that information regarding the LOC or financial protection agreement may be released to the public under the Freedom of Information Act.*

Promptly contact Rosa Reth, Payment Analyst for the Chicago/Denver School Participation Division at (312) 730-1469 with any questions regarding the Nashotah House's **current DL award authorization level or the Records First requirements.**

If you have any questions regarding the **financial responsibility determination**, or disagree with the reason or methodology used for this determination, please contact Marion Peak, Financial Analyst, within 30 calendar days at (303) 844-3320.

Sincerely,



Christopher Miller
Division Chief
Atlanta School Participation & Financial Analysis Division

CM/mp

Enclosure: Sample Irrevocable Letter of Credit

cc: WI Wisconsin Legislature
Commission on Accrediting of the Association of Theological Schools

2765	00393700	Cardinal Stritch University	Milwaukee	WI	5317-9884	07/31/2019	N/A	Non-Profit	2.2
2766	00394200	Concordia University	Mequon	WI	53097-2402	06/30/2020	N/A	Non-Profit	2.5
2767	04219300	East-West Healing Arts Institute	Madison	WI	53719-1133	12/31/2019	N/A	Proprietary	3.0
2768	00398400	Edgewood College	Madison	WI	53711-1958	06/30/2020	N/A	Non-Profit	2.2
2769	04182100	First Class Cosmetology School	Beloit	WI	52511-0000	12/31/2019	N/A	Proprietary	1.8
2770	006962100	Healing University	Madison	WI	53718-4236	12/31/2019	N/A	Non-Profit	2.9
2771	003985000	Holy Family College	Marionville	WI	54220-9319	06/30/2020	N/A	Non-Profit	0.4
2772	003806300	Institute of Beauty and Wellness (The)	Milwaukee	WI	53202-5715	12/31/2019	N/A	Proprietary	2.4
2773	00395400	Jakeland University	Plymouth	WI	53073-4878	06/30/2020	N/A	Non-Profit	2.9
2774	00395600	Lawrence University of Wisconsin	Appleton	WI	54911-0000	06/30/2020	N/A	Non-Profit	2.3
2775	00396500	Marquette University	Milwaukee	WI	53201-1881	06/30/2020	N/A	Non-Profit	2.5
2776	03061200	Midwest College of Oriental Medicine	Racine	WI	53403-9747	12/31/2019	N/A	Proprietary	2.0
2777	04117400	Milwaukee Career College	Milwaukee	WI	53222-4405	08/31/2019	N/A	Proprietary	1.7
2778	02077100	Milwaukee Institute of Art & Design	Milwaukee	WI	53202-6003	05/31/2020	N/A	Non-Profit	2.1
2779	00398600	Mount Mary University	Milwaukee	WI	53222-4597	06/30/2020	N/A	Non-Profit	1.6
2780	00387400	Nashotah House	Nashotah	WI	53058-9733	06/30/2020	N/A	Non-Profit	1.4
2781	04202800	Paradee Academy of Beauty	Lake Delton	WI	53940-9700	12/31/2019	N/A	Proprietary	1.6
2782	03822100	Paul Mitchell The School Milwaukee	Madison	WI	53717-0000	12/31/2019	N/A	Proprietary	1.7
2783	04165300	Professional Hair Design Academy, The	Wauwatosa	WI	53222-0000	12/31/2019	PMHS, LLC	Proprietary	2.9
2784	03220300	Ripon College	Eau Claire	WI	54701-7633	12/31/2019	N/A	Proprietary	3.0
2785	00398400	Sacred Heart, Seminary and School of Theology	Ripon	WI	54971-0248	06/30/2020	N/A	Non-Profit	3.0
2787	00399200	Saint Norbert College	Franklin	WI	53132-0000	06/30/2020	N/A	Non-Profit	2.1
2788	04157700	Salon Professional Academy (The)	De Pere	WI	54115-2099	05/31/2020	N/A	Non-Profit	2.7
2789	04138200	Salon Professional Academy (The)	Onalaska	WI	54650-8699	12/31/2019	N/A	Proprietary	2.1
2790	04138600	Salon Professional Academy of Kenosha (The)	Appleton	WI	54914-3921	12/31/2019	N/A	Proprietary	2.9
2791	04193800	State College of Beauty Culture	Kenosha	WI	53142-4950	12/31/2019	N/A	Proprietary	1.5
2792	00941900	State College of Beauty Culture	Union Grove	WI	53182-1527	06/30/2020	N/A	Non-Profit	3.0
2793	04118600	Tricore University of Beauty Culture	Wausau	WI	54403-4667	12/31/2019	N/A	Proprietary	2.7
2794	00391100	Uterho University	Janesville	WI	53548-3307	12/31/2019	Orbit School Holdings, LLC & Subsidiary	Proprietary	1.9
2795	02213600	Wisconsin Lutheran College	La Crosse	WI	54601-4777	06/30/2020	N/A	Non-Profit	2.8
2796	02271300	Wisconsin School Of Professional Psychology	Milwaukee	WI	53226-4626	06/30/2020	N/A	Non-Profit	2.3
2797	04237400	Wright Graduate University for the Realization of Human Potential	Milwaukee	WI	53225-4960	08/31/2019	N/A	Non-Profit	3.0
2798	00390600	American Broadus University	Elkhorn	WI	53121-2556	12/31/2019	N/A	Non-Profit	3.0
2799	00319300	American Public University System	Phillipi	WI	26416-1061	06/30/2020	N/A	Non-Profit	0.3
2800	00594400	Appalachian Bible College	Charles Town	WV	26414-1621	12/31/2019	American Public Education, Inc and Subsidiaries	Proprietary	2.9
2801	04124200	Catholic Distance University	Mount Hope	WV	25880-9554	05/31/2020	N/A	Non-Profit	1.1
2802	02178200	Charleston School of Beauty Culture	Charles Town	WV	25444-1621	06/30/2020	N/A	Non-Profit	2.8
2803	02178200	Mount & Pierce College	Charleston	WV	25301-2206	03/31/2020	N/A	Proprietary	3.0
2804	02178200	Mount & Pierce College	Charleston	WV	25301-2206	06/30/2020	N/A	Proprietary	3.0