



Forming leaders engaged in learning, faith, justice and service for life.

June 17, 2016

A Message from President Christopher Puto on Accreditation

Dear Spring Hill College Community (faculty, staff, students, alumni, friends and supporters),

Spring Hill College has been accredited since 1922 (96 years) by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award baccalaureate and masters degrees. SACSCOC is the recognized regional accrediting body in the eleven U.S. Southern states (Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia) and in Latin America. Each member institution goes through the accreditation process every ten years.

At its meeting on June 15, 2016, the Board of Trustees of SACSCOC took a number of actions regarding the accreditation status of applicant, candidate, and member institutions. One of these actions was to place Spring Hill College on probation for six months for being non-compliant with Comprehensive Standard 3.10.1 of the *Principles of Accreditation* (maintaining a recent history of financial stability). This action by the SACSCOC Board of Trustees 'relates back to several conditions that developed during the period between 2008 and 2012: the Great Recession of the late 2000s; the economic impact of the BP Deepwater Horizon oil spill disaster; increasing costs associated with debt the College incurred in the early 2000s while making much lauded building improvements on campus; fluctuating freshmen enrollment; and negative cash flow resulting from high debt service and enrollment shortfalls.

We have addressed each of these items over the last 36 months. A portion of the College's debt, \$27.9 million, was acquired by a dedicated donor family who forgave \$8 million and then generously offered to further repay the debt by matching, dollar for dollar, every gift made to Spring Hill College toward retiring this note. As of today's date, only \$300,000 of this debt remains to be retired through donor gifts. The remaining long term debt has been refinanced under very favorable conditions through a municipal bond issue maturing in 30 years. Our freshmen class for fall 2016 will number more than 400 for the third consecutive year. And at its June meeting, Spring Hill College's Board of Trustees reviewed, adopted, and formally approved a balanced financial budget, which we now call our "Financial Plan," for fiscal year 2016-2017. This revenue positive financial plan will generate significant positive cash flow for the College.

Let me be clear in saying that Spring Hill College remains fully accredited. The Commission's decision to impose this brief period of probation will have no impact on federal funding, including financial aid available to students and research grants awarded to faculty. The probation is due solely to the College's financial situation between 2008 and 2012 and has no effect on the extraordinary educational experience our students expect and receive while enrolled at Spring Hill College.

The Trustees of SACSCOC have acted responsibly in fulfilling their commitment to assure the public of the high quality education offered by each of their accredited schools. Spring Hill College has acted responsibly in addressing and resolving the issues arising from four to eight years previous, and we are embarking on a bright future that is well grounded in sound financial management. Everyone in the Spring Hill College Community can



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eagerly look forward to our commitment to delivering our ongoing mission to form leaders engaged in learning, faith, justice and service for life. Because of this continuing commitment and the actions taken as described above, we have the utmost confidence that before the next meeting of SACSCOC, we will have demonstrated full compliance with this standard and no longer be subject to probation.

Sincerely,

Christopher P. Puto, Ph.D.
President