



Mergers and Partnerships Best Practices

(Open only to currently serving college
and university presidents)



The Council of
Independent Colleges

ENGAGING
COMMUNITIES

2025 Presidents Institute

January 4–7, 2025 ● JW Marriott San Antonio Hill Resort & Spa ● San Antonio, Texas



Thank you to our sponsor





Presenters

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Bluffton University®

Strong Roots. Brighter Future.

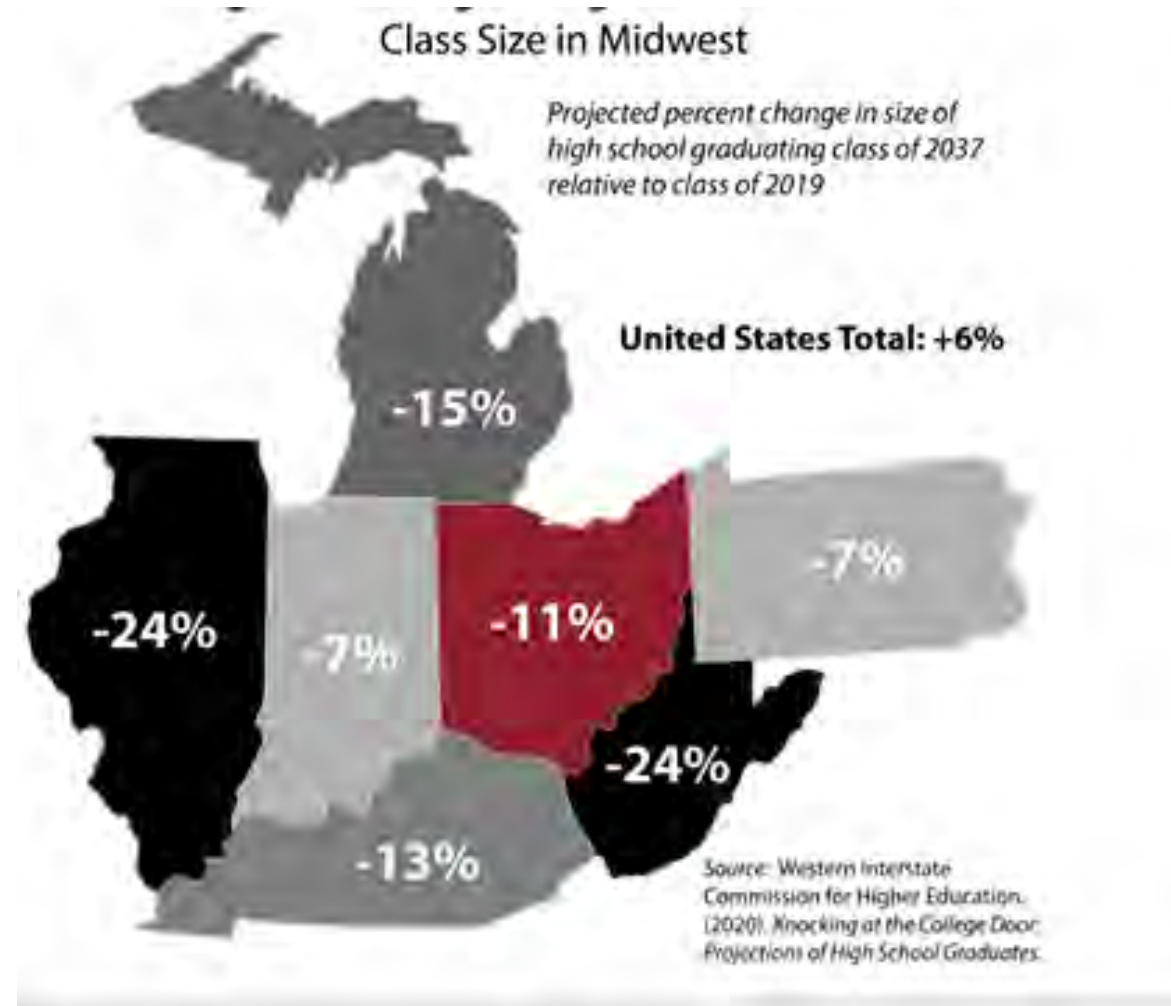
Council of Independent Colleges

January 2025

Higher Ed Landscape

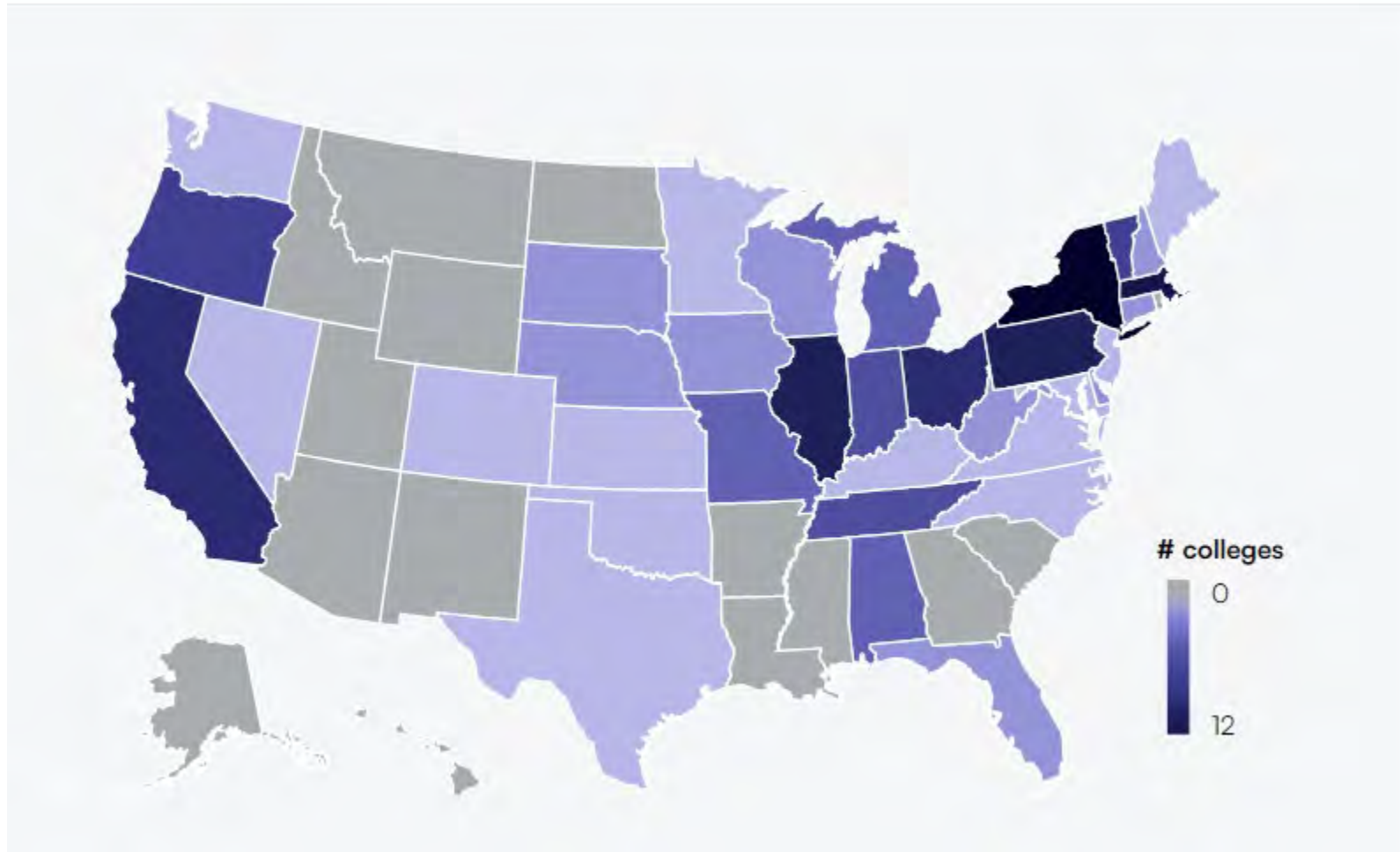


Enrollment Cliff



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College Closings and Mergers by State



Reasons for Institutions to Merge

- ❑ Income (a new cash flow stream)
- ❑ Asset leveraging (generate cash and operate more efficiently)
- ❑ Access to programs or capabilities that would be difficult to acquire without a merger
- ❑ Access to geography (establish a new location, e.g. enter a rural or urban area)
- ❑ Reputation or brand enhancement

Bluffton University



University of Findlay



Academic Offerings

University of Findlay

- Animal Science
- Pharmacy
- Physician Assistant
- Physical Therapy
- Occupational Therapy

Bluffton University

- Nutrition and Dietetics
- Master's in Nutrition and Dietetics
- Master's in Social Work
- Speech-language pathology, and audiology
- Pre-physical therapy

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Collaboration, not Competition



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Vision Statement

Produce a successful merger outcome that honors heritage, optimizes efficiencies, elevates innovation, and above all, enhances the lives of students.



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Timeline: Phase One

Interim Period: Waiting for Federal Approval

December 2025: Change of Control

November 2025: Application reviewed by HLC

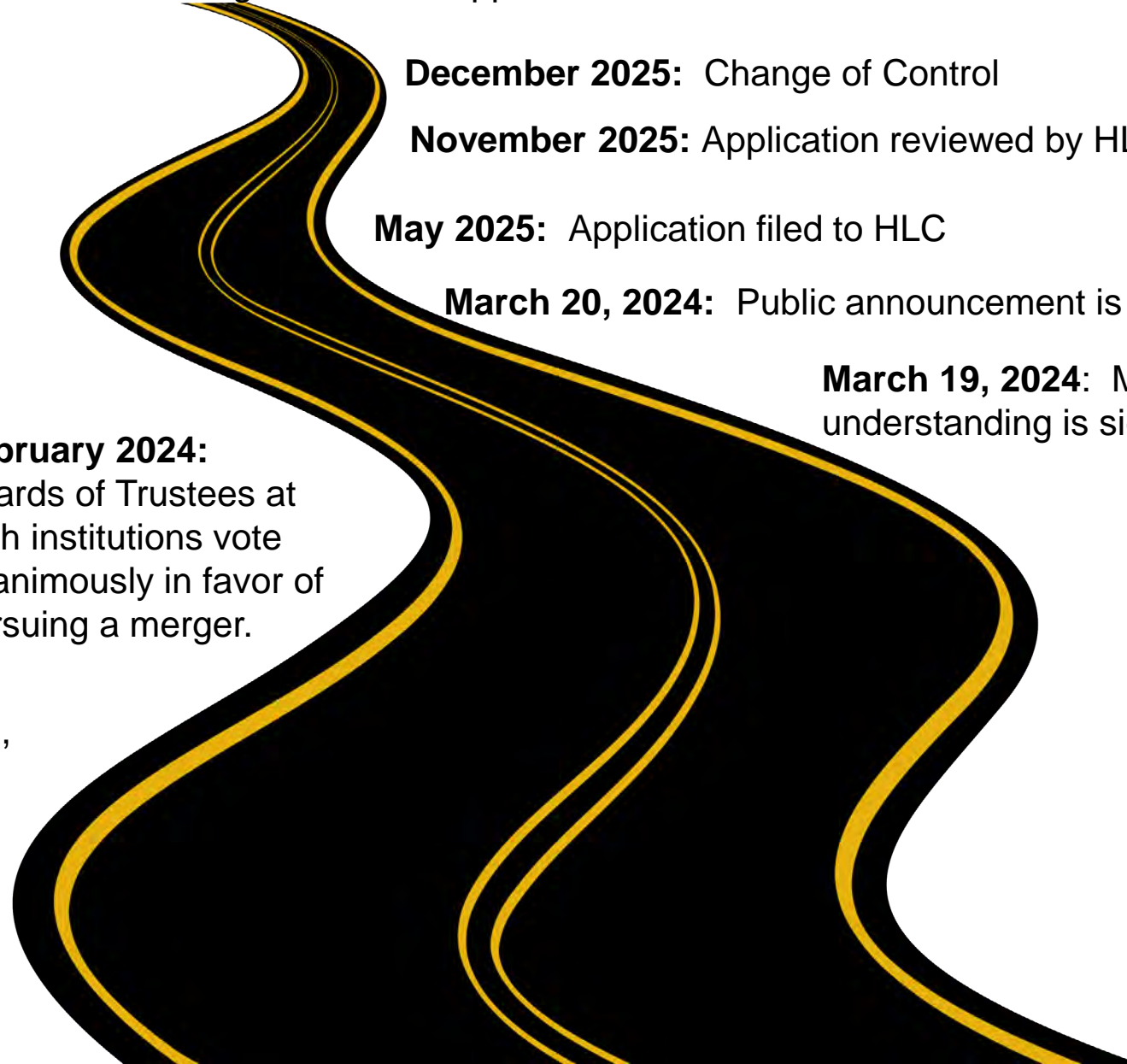
May 2025: Application filed to HLC

March 20, 2024: Public announcement is made.

March 19, 2024: Memorandum of understanding is signed.

February 2024:
Boards of Trustees at
both institutions vote
unanimously in favor of
pursuing a merger.

Fall 2023:
Grant-funded,
third-party
review
supports
moving
forward with
merger.

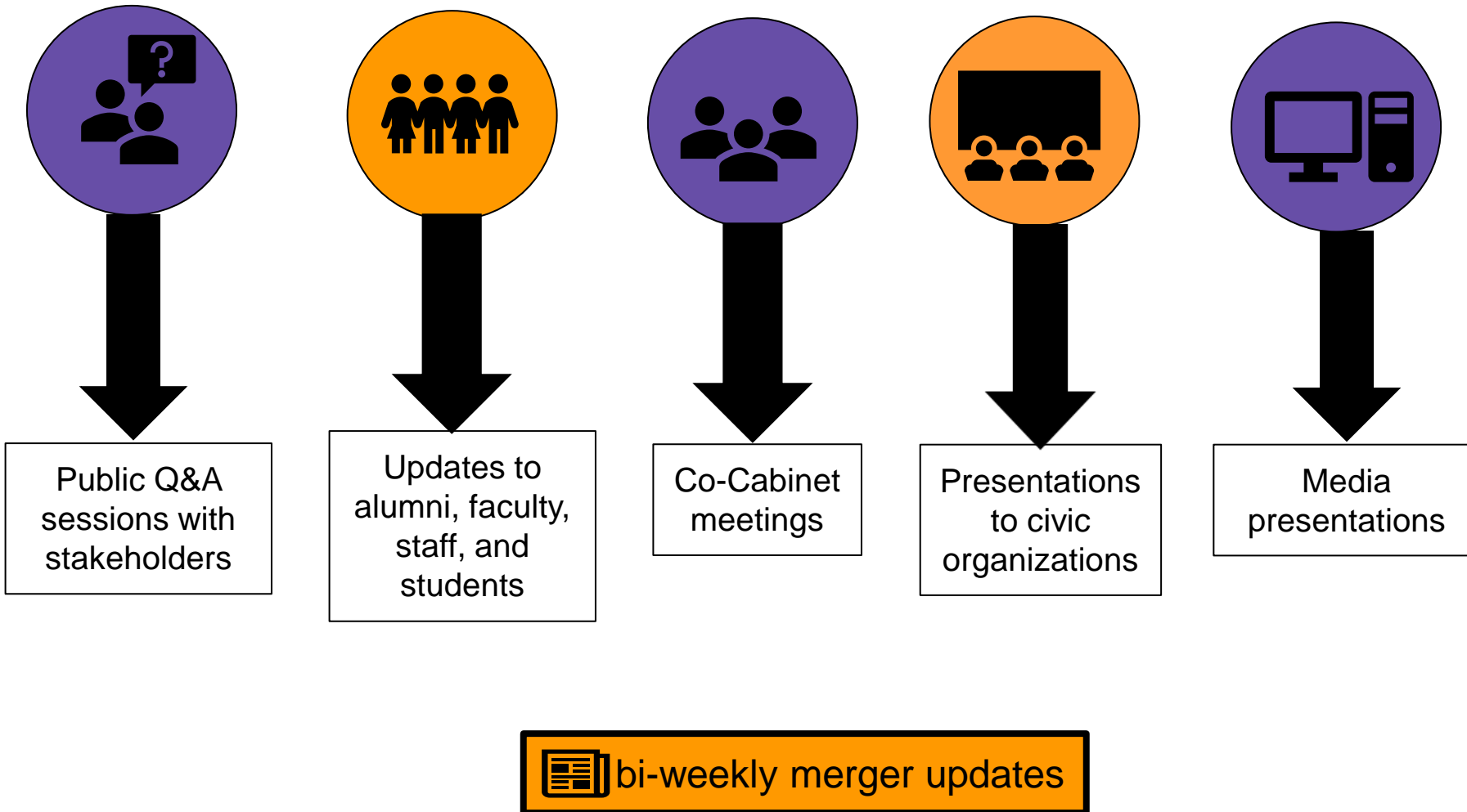


Examples of Merger Costs

- ❖ Due Diligence (3rd Party)
- ❖ Legal Fees
 - ◆ MOU
 - ◆ Definitive Agreement
- ❖ HLC Costs
- ❖ Financial Proforma Fee



Ongoing Communication



Transition Team Executive Summary

Meet regularly

Academic Affairs
Faith and Culture
HR Faculty
HR Staff
Regulatory Compliance
DEI
Student Services
Policy & Shared Governance

Meet as needed

Advancement
Athletics
Enrollment Mgmt.
ITS
Institutional Branding
Facilities Services
Financial & Legal
IR & Program
Accreditation

Building cross-campus culture





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For more information:
www.findlayblufftonfuture.com

CIC 2025

Mergers and Partnerships



Before you begin to seriously consider a strategic partnership, including, but not limited to a merger or acquisition...

- Do you have a strategic plan in place and a vision that supports your aspiration for a strategic partnership?
- Is your Board of Trustees thinking with you and aligned with you and your institutional priorities?
 - If not, what steps will you need to take to educate your board on the context for your institution?
 - If yes, there will still be important preparatory work for you and your board.
 - What is your time horizon for decision making?

RECENT MERGERS

- San Francisco Theological Seminary in 2019
 - Marin County
 - 13-acres
 - 1871
- Presidio Graduate School – Change in Control in June 2023



UNIVERSITY OF REDLANDS



Woodbury University – Change in control in June 2024

- Burbank/ Los Angeles
– 22 acres
- 1884
- 850 students
- Architecture; Interior,
Fashion, Graphic,
Game Design;
Filmmaking; Business



UNIVERSITY OF REDLANDS

CHANGE MANAGEMENT

DATA-DRIVEN DECISION

- **Conservative Calculations:**

- Transition and integration costs – add >10% to estimate
- Long-term joint operating costs
- Consider debt impacts
- Wall-off risk with corporate structures
- Consider separate and joint Financial Responsibility Composite Score
- Long-term financial positioning
- Worst-case scenario development and mitigation

- **Strong pro-forma:**

- Make it conservative and plan for retention and recruitment challenges at first
- Revise during due diligence – let it guide choice

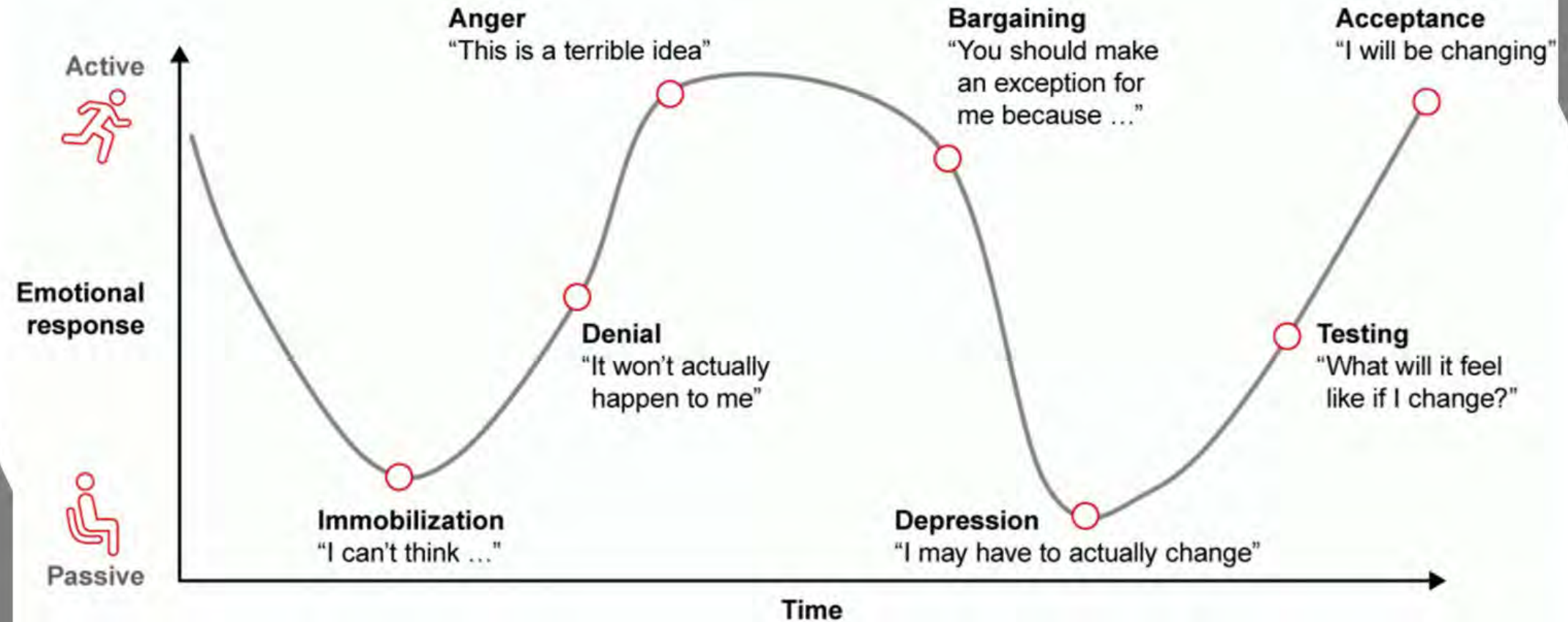
- **Collaborate with Accreditor & ED:**

- Con: two-step process challenges efficiencies, effectiveness, and messaging
- Pro: creates time for integration and change management

THE CHANGE MANAGEMENT ROLLER-COASTER



Stages of resistance from negatively perceived change



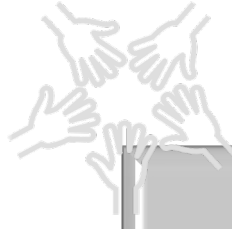
Source: Kübler-Ross Grief Curve

COMMUNICATION



- Regular Interactive Forums, Open Office, and Updates:
- Students
- Faculty
- Staff
- Alumni
- Prospective Students & Families

TEAM BUILDING



- Events to bring people together
- Presentations – students and faculty
- Develop new Direct Reports/Cabinets
- Faculty Engagement
- Staff Interactions
- Understanding and sharing culture
- Scrum teams

ORGANIZATION INTEGRATION



- Naming
- Board restructuring
- Leadership
- Reporting Lines
- Technology
- Sharing Services
- Onboarding employees
- Shared Governance:
 - Faculty Governance
 - Staff Associations
 - Collective Bargaining
 - Student Orgs



BUILDING A NEW UNIVERSITY

- Shared values guide decisions are agreed upon at the beginning
- Avoid winner-loser and acquirer-acquired approach
- Balanced approach and facts drive decisions
 - Be careful of biases, fear-driven decisions, and sunk cost fallacy
- Change includes grieving and dreaming – leaders must empathize and create a vision
- Use Board and alumni when and where appropriate – subject matter experts, advisory panels, champions, fundraisers
- Learn from each other and find the best pathway



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Two-Step Merger Process

- What is the two-step merger requirement?
- Why does the two-step process exist?
- How long does it take to complete each step?
- What is the preferable first step?
- What happens between the first and second steps?
- How have institutional accreditors revised their substantive change, change of control review processes?
 - Planning tips for federal and state grants



Legal Agreements

- Confidentiality Agreement
- Letter of Intent or Memorandum of Understanding
- Retention Agreement
- Definitive Agreement: Merger or Asset Purchase Agreement
- Employment Agreement



Legal Agreements (continued)

- Shared Services Agreement
- Amended and Restated Bylaws
- Requirements under tax-exempt bond indentures
- Real property transfers



Alternatives to Merger or Asset Acquisition

- Course Share Agreement
- Shared Services Agreement
- Consortium Arrangement
- Affiliation Agreement
 - With or without member addition or substitution
- Teach-Out



Due Diligence

- Important to receive specific due diligence requests early
 - Significant workstream to collect, digitize and organize information
- Electronic Data Room
 - Importance of secure site
 - Care in what materials are uploaded
- Project management tools for data room contents
- Periodic calls to monitor due diligence progress

Project Management

- Multiple work streams with points of intersection
- Prescriptive deadlines for regulators and accrediting bodies
- Time and Responsibility Schedule is critical
 - Desirable to detail actions on a weekly basis and allocate responsibility
 - Schedule will be revised from time to time
- Regular, periodic meetings to facilitate communication and problem solving

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Mergers and Partnerships Best Practices

Resources

- Ricardo Azziz, *et al.*, *Strategic Mergers in Higher Education* (Johns Hopkins University Press, 2019).
- Mark La Brouche, *Inside College Mergers* (Johns Hopkins University Press, 2024).
- Ricardo Azziz, *et al.*, *Leading Existential Change in Higher Education: Mergers, Closings and other Major Institutional Restructurings* (Johns Hopkins University Press, 2025)
- United States Department of Education, Electronic Account ID: General 22-70, *Updated Guidance and Procedures for Changes in Ownership*, September 15, 2022.
- AJ Prager and Neil Lefkowitz, *Higher Education and the Two Step Process*, Higher Education Partnership Journal, December, 2024.
- Imed Bouchrika, *Trends in College and University Consolidation: Closures, Mergers & Takeovers in 2024*, research.com/universities-colleges-trends-in-college and university-consolidation.com.
- The Change Leader, Inc., *Mergers and Acquisitions in Higher Education*, changeinhighered.com/mergers-and-acquisitions-in-higher-ed.
- Huron Consulting Group, *The Paradox of Higher Ed Mergers and Acquisitions*, huronconsultinggroup.com/insights/paradox-for-higher-ed-mergers.



Q&A



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**Thank you for participating
in this session!**

