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# SUPPORTING PARTNERSHIPS FOR STUDENT SUCCESS AND INSTITUTIONAL VIABILITY

An Evaluation of the Transformational  
Partnerships Fund

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Funded By:

SeaChange Capital Partners, ECMC Foundation,  
Ascendium Education Group, The Kresge Foundation,  
and the Michael & Susan Dell Foundation

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# EXECUTIVE SUMMARY

To address the emerging trend of institutions (especially smaller institutions with fewer resources) facing closures or mergers, [SeaChange Capital Partners](#) (SeaChange) established the [Transformational Partnerships Fund \(TPF\)](#) in 2021 in partnership with ECMC Foundation, and with additional founding support from Ascendium Education Group, The Kresge Foundation, and the Michael & Susan Dell Foundation.

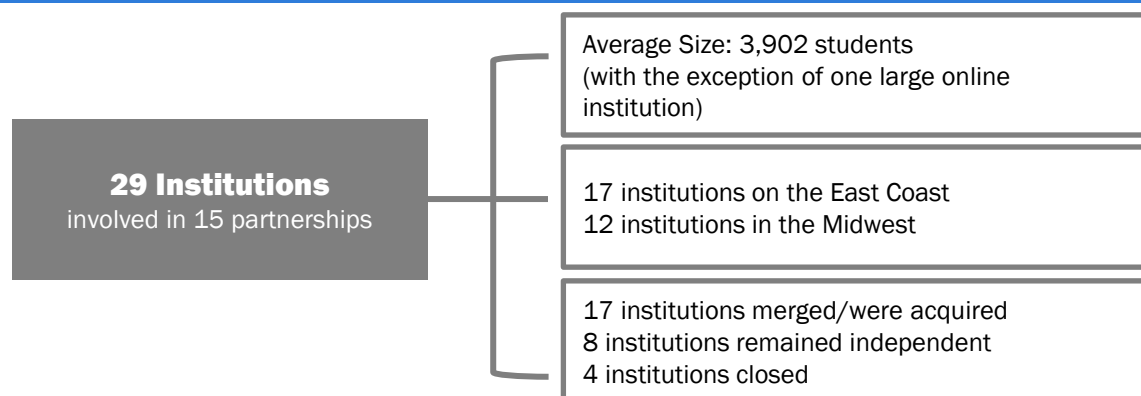
In 2024, SeaChange engaged with [Research for Social Impact, Inc.](#) (RSI), an applied research and evaluation consulting firm to conduct a formative evaluation of TPF. RSI reviewed documents and conducted interviews with 25 senior leaders [representing 15 partnerships](#). Interviews focused on the [TPF application process; Fund experiences; partnership challenges, outcomes, advice, satisfaction; and suggestions for improvement](#).

The full report provides findings from the document review and leader interviews. This executive summary highlights key findings.

The Transformational Partnership Fund (TPF) supports institutions interested in exploring partnerships that could fundamentally improve how they operate and serve students — especially students of color, students from low-income families, and other underserved populations.

In addition to providing financial support, TPF provides a safe and confidential place for discussion and brainstorming, and referrals to third parties who might be helpful.

## Participating Institutions



## Experience with TPF

**TPF Application Process:** Leaders described the TPF application process as simple, without excessive strings attached, and as having a quick turnaround time. Very few suggestions for improvement were provided.

**Fund Experiences:** Leaders provided glowing feedback about the SeaChange team, noting that they were knowledgeable, responsive, approachable, and warm. Suggestions for improvement included: offering additional advice and resources; reconsidering the funding amounts; engaging in more advocacy work; including more institutional presidents on the SeaChange board; and publicizing more about their work.

**TPF's Net Promoter Score = 100**

When leaders were asked on a scale of 0 (not at all likely) to 10 (extremely likely) whether they would recommend the TPF experience to other institutions, 100% of participants chose 9 ( $n = 1$ ) or 10 ( $n = 14$ ). This makes them “promoters” and gives TPF a Net Promoter Score of 100.

## Stages of Partnership

Leaders often compared the process of finding a partner for a merger/acquisition to the process of dating and marriage, which sometimes ended early and sometimes ended in a successful union. Although these stages are presented in a sequential format, the partnership exploration process was rarely described as a linear, continuous progression; instead, it typically involved up and downs, setbacks, periods of stagnation, and unexpected turns and opportunities.



### The Courtship

The stage when institutions explored potential partnerships

Institutional leaders typically chose to explore partnerships because they: (a) were experiencing challenges with maintaining financial stability and long-term viability; (b) wanted to increase operational efficiencies; and (c) were impacted by external factors in the post secondary education landscape (e.g., COVID-19 pandemic).

Leaders sought funding from TPF because of SeaChange's philanthropic mission and reputation in helping vulnerable institutions, and their focus on student outcomes.



### The Engagement

The stage when partnering institutions formalized their intentions and plans

TPF funds were primarily used by institutions to conduct thorough due diligence for potential mergers/acquisitions, including jointly hiring external experts such as higher education consultants, financial analysts, lawyers, and communication specialists.



### The Wedding

The stage when the partnership became legally binding

Once they merged, institutions navigated the complexity of combining different institutional cultures, identities, policies, and practices. They also decided on crucial leadership structures and roles within the new institutional entity to foster a collaborative atmosphere. During this stage, leaders also began to focus on growth, space utilization, and strategic alignment.



### Long-Term Relationship

The stage when institutions focused on long-term integration, improvement, and adaptation

Once institutions merged, there were some key steps and pieces of the process that leaders still had to navigate. For example, institutions are subject to regulatory and legal processes and approvals at the state and federal levels. These multi-phase processes can span months or years.

## Impact on Students

Of the 15 transactions included in this report, 8 resulted in formal partnerships. Leaders from seven of these partnerships noted that it was too early to assess official impact of the changes on student outcomes. However, all of them were hopeful about the future. A leader from the eighth institution shared that after their merger/acquisition, they had already experienced an increase in student enrollment and retention.

Leaders are hopeful that their partnerships will lead to:

- ↑ number & types of academic offerings
- ↑ comprehensive career preparation
- ↑ enrollment & retention rates
- ↑ student enthusiasm & motivation

## Challenges

Leaders shared the biggest challenges in their exploratory partnership work:

- Communication and stakeholder management
- Policies and laws
- Transparency and trust
- Financial pressures and strategic allocation of funds
- Capacity, operations, and logistics

## Recommendations

Based on feedback from leaders who have been through the partnership process, the following key recommendations are suggested for other: (a) institutional leaders considering partnerships and (b) funders considering supporting institutions in their transformational partnership journeys.

Leaders recommended that **other institutional leaders should:**

### **Take a proactive approach and seek all available supports**

- Leaders should seek support from funders, other leaders who have gone through the experience, expert consultants, therapists, and support networks.
- Leaders should be transparent about impending issues with key leaders and Boards (if possible) as they will need to be involved in and support the process.

### **Remember that there are real people with genuine emotions involved**

- Leaders should create space and time in partnership plans that account for the ways in which students, faculty, alumni, and Boards may respond or react to impending changes.

Leaders recommended that **other funders should:**

### **Increase awareness of the supports available to institutions**

- Funders who are supporting this work should include information more prominently on their websites and in their materials.
- Funders should promote the types of support available at conferences, convenings, webinars, podcasts, and other settings to ensure that leaders can have equitable access to the information and resources.

### **Take a trust-based and minimally-invasive approach to support institutional leaders**

- Funders should find ways to minimize burden in the application and due diligence process, ensure that key decision makers are accessible to expedite the process, and be transparent regarding what will and will not be funded.

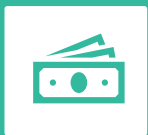
# INTRODUCTION

Since 2010, there has been a decline in student enrollment at degree-granting institutions across the United States ([National Center for Education Statistics, 2023](#)). As the nation also grapples with demographic shifts, the effects of the COVID-19 pandemic, questions about the value of a degree, and changes in both federal and state financial aid policies and accreditation standards, institutions' financial viability has been impacted. This issue disproportionately impacts smaller institutions with limited financial reserves ([Higher Ed Dive, 2019](#)). Between 2020-2024, at least 72 public or nonprofit institutions have closed, merged, or announced mergers ([National Center for Education Statistics College Navigator, 2024](#)), and this trend is expected to increase in the coming years ([Federal Reserve Bank Philadelphia, 2024](#)).

## SeaChange Capital Partners

[SeaChange Capital Partners](#) (SeaChange) is a nonprofit organization that provides grants, loans, analysis, and advice to help nonprofits work through complex financial and organizational challenges. In 2021, SeaChange established the [Transformational Partnerships Fund \(TPF\)](#) in partnership with ECMC Foundation, and with additional founding support from Ascendium Education Group, The Kresge Foundation, and the Michael & Susan Dell Foundation. **TPF supports institutions interested in exploring partnerships that could fundamentally improve how they operate and serve students – especially students of color, students from low-income families, and other underserved populations.** At least one of the partnering institutions must serve a student population that is at least 25% persons of color and/or where 40% meet the financial criteria for Pell eligibility. The exploration of partnerships could occur in many forms – ranging from shared administrative services or consolidated academic offerings on one end of the spectrum, to full mergers on the other.

As of August 2024, **TPF had made 31 grant commitments totaling \$1.71 million in 28 situations involving 101 institutions.** Catalytic grants (up to \$100,000 per exploration) are the most common type and are provided for two or more institutions to explore a partnership (typically by hiring financial and legal consultants). Seed grants (up to \$10,000 per exploration) can be used by single institutions to help defray the costs of preparing to explore a partnership (e.g., hosting a retreat to build consensus to act among senior leaders and the Board of Trustees). In addition to providing financial support, TPF provides a safe and confidential place for discussion and brainstorming, and referrals to third parties who might be helpful.



Catalytic grants of up to \$100,000 to help two+ institutions explore partnerships



Seed grants of up to \$10,000 to help a single institution prepare to explore a partnership



Safe confidential place for discussion and brainstorming

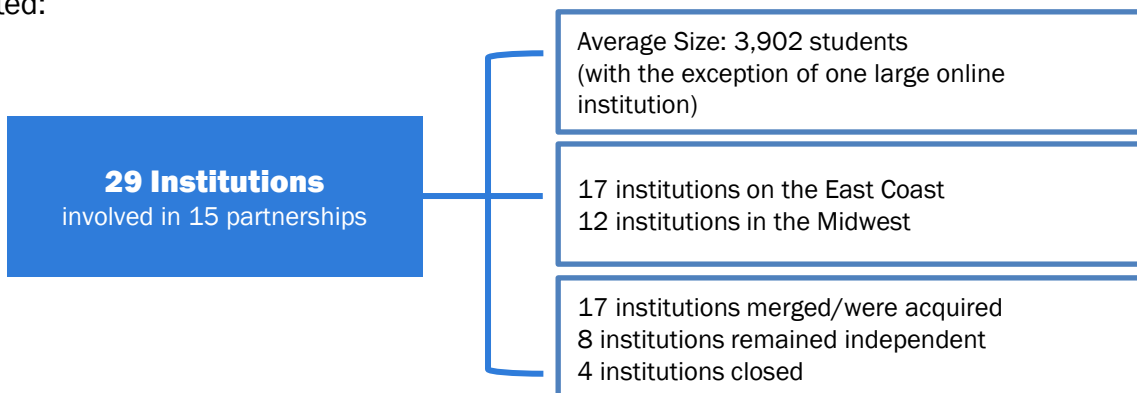


Referrals to third parties who might be helpful in a particular situation

# INTRODUCTION

## Evaluation of the Transformational Partnerships Fund

With TPF underway for three years, in August 2024, SeaChange engaged with [Research for Social Impact, Inc.](#), an applied research and evaluation consulting firm to conduct a formative evaluation of the Fund. RSI [reviewed documents](#) such as applications and reports submitted by participating institutions. In October 2024, [interviews were conducted with](#) 25 senior leaders (e.g., Presidents, Board members) [representing 15 partnerships](#) (one interaction was via email rather than interview). [Interviews focused on the TPF application process; Fund experiences; partnership challenges, outcomes, advice, and satisfaction; and suggestions for improvement.](#) Institutions who participated in the interviews represented:



## Organization of this Report

This report provides findings from document review and interviews with leaders involved in their institution’s partnership work. Leaders often compared the process of finding a partner to the process of dating and marriage, which sometimes ended early and sometimes ended in a successful union. [This report presents key themes and findings through the frame of the courtship process described below.](#) Although these stages are presented in a sequential format, the partnership exploration process was rarely described as a linear, continuous progression; instead, it typically involved up and downs, setbacks, periods of stagnation, and unexpected turns and opportunities.



### The Courtship

The stage when institutions explore potential partnerships



### The Engagement

The stage when partnering institutions formalize their intentions and plans



### The Wedding

The stage when the partnership (i.e., merger, acquisition) becomes legally binding



### Long-Term Relationship

The stage when institutions focus on long-term integration, improvement, and adaptation

*“This process can be...compared to...finding a marriage partner... you decide you’re ready to start talking to people so you start the dating process. You meet with other institutions to see if they might be a good fit, picking one (dating stage). Then you get engaged and do more exploration. And then eventually, maybe, you get married, which is like the final merger.”*

-Institutional Leader

# THE COURTSHIP



The stage when institutions explore potential partnerships



Institutional leaders described the first stage of the exploratory process as similar to that of courtship— where people (in this case, institutions) consider whether they should explore a partnership, identify potential partners, begin to meet and assess compatibility, learn about each others’ background and values, and conduct legal and compliance checks. Some institutions may realize that they do not need to find a partner after all (they are stronger alone), while others may have found a good partner. Therefore, this courtship stage may end with a breakup followed by dating others or not dating at all, or an “engagement.” For some, a better decision may be to close the institution.

## DECIDE TO DATE

The institution decides to explore a partnership given the risk of continuing the status quo

## FIRST DATES

The institution identifies potential partners and has initial conversations to assess compatibility

Partnering institutions build trust and gauge mutual interest

## GET ACQUAINTED

Partnering institutions investigate each others’ financial health and operational strengths

Institutions conduct legal and compliance checks

## BREAKUP OR GET ENGAGED

Institutions end their relationship (followed by remaining alone or dating others), or formalize their relationship (become “engaged”)

Some stop dating all together and may determine to close their institutions

## Case Study 1

Institution A recognized they needed to quickly determine whether they should close their institution or begin a merger/acquisition process with another institution. The Interim President was referred to TPF by colleagues. TPF provided a \$10,000 seed grant that allowed Institution A to hire a consultant who led a multi-day retreat with their Board of Trustees. The consultant had *“frank conversations about what they would need to pivot, what they would need to do [for a merger or acquisition], and what they would need to close. They made some very blunt recommendations.”* After discussions, the institution decided to close.

## Case Study 2

Institution J was experiencing financial distress and began to meet with local institutions about a potential merger; Institution K was identified as a promising partner. Institution K had interacted with SeaChange staff in other contexts and the two institutions jointly received a \$100,000 catalytic grant to engage in an exploratory process. Consultants were hired to conduct an audit of the two institutions’ finances and to evaluate legal regulations around partnerships. Conversations were initially focused on a merger but pivoted to an acquisition of Institution J by Institution K. After initial reviews, a Memorandum of Understanding was signed by both institutions to more formally explore the acquisition (they got “engaged”)... *continued on page 11...*



# THE COURTSHIP



## Leaders described the first step in the courtship stage as considering whether and why they should explore a partnership.

Institutional leaders chose to explore partnerships for numerous reasons. Most institutions were experiencing challenges with **maintaining financial stability and long-term viability**. For example, one leader shared, *“We had to figure out how to focus on a relationship with an entity that would enable our institution to have the financial stability to become more vibrant and effective.”*

Leaders also shared that they were interested in a partnership to **increase operational efficiencies and to create shared services**. One leader noted that they were initially focused on a partnership that would, *“consolidate HR and IT support and some of the other back-end functions. So, it was really focused on efficiencies of scale initially.”*

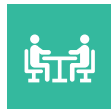
**External factors in the post secondary education landscape** also led institutions to pursue a partnership. For example, one leader shared, *“We saw on the horizon...things were going to happen eventually related to demographics, number of students going, and that kind of stuff. But also at the time, because we had just gone through a 2016 election in which there was a lot of conversation at the national level around free public higher education and in particular free public community college education... we considered that an existential threat to us as an institution.”* Leaders also elevated additional external challenges, including the COVID-19 pandemic and financial aid/FAFSA-related issues, both of which accelerated financial and enrollment challenges and necessitated a need to pivot strategically.



*“We were basically balancing our books at the end of every fiscal year to the penny, just barely.”*

-Institutional Leader

# THE COURTSHIP



*“I think in some ways, [SeaChange team members’] advice, counsel, and insight sharing was as valuable as the dollar amount of the grant.”*

*“[SeaChange team member] ...went out of their way to make things easy for us to do...It was a very different relationship than you would expect to have with a lot of funders. It was much more about helping us succeed with the funds that we were getting then about ensuring that their boxes were being checked.”*

*-Institutional Leaders*

## Leaders described why they chose TPF to support their exploratory partnership efforts.

Many institutional leaders learned about TPF via referrals from professional networks, at conferences (e.g., ACCU conferences; Yes, We Must Coalition), and via webinars.

When compared to other funders, leaders stated that they wanted to work with SeaChange because of their philanthropic mission and reputation in helping vulnerable institutions, particularly those that are minority-serving. A leader shared, “If you go back and look at SeaChange’s mission, it’s about improving communities... so from the get-go, it appeared that we were aligned.” Leaders also appreciated how SeaChange’s focus was not solely on the institutions themselves, but on how a partnership would impact students. One leader described, “I enjoyed the fact that [SeaChange’s] focus was on students. Not necessarily why this was good for the institution, but how was this good for the students?”

Leaders also shared their appreciation for the TPF application process and team. Specifically, the application process was described as simple, without excessive strings attached, and as having a quick turnaround time. The SeaChange team (especially one senior leader) was described as knowledgeable about the field, and “incredibly empathetic, practical, and quick.” Leaders valued having a safe space to discuss difficult issues and receive both advice and referrals. For example, one leader explained that they appreciated the support from TPF, “One, because we needed the financial support. Second, [because] I was looking also for advice. And the third thing that I really appreciate is that they just came across as wanting to do the greater good, helping us to make our

own decisions. They did not tell us what direction to go or what to do but rather [helped] us by making more sources available so that we could explore alternatives.”

# THE ENGAGEMENT



The stage when partnering institutions formalize their intentions and plans



Institutional leaders described the second stage of the exploratory process as similar to an engagement— where institutions formalize their intentions by signing non-disclosure agreements and letters of intent, involve a broader group of stakeholders for approval and support, continue to discuss their values and visions, and set timelines. Similar to the first stage, this second stage may end with some institutions realizing that they do not need to find a partner after all (they are stronger alone), while others may have found a good partner. Again, this stage may end with a breakup followed by dating others or not dating at all, or a “wedding.” For others, the better decision may be to close the institution.



## Case Study 2 (Continued)

After signing the Memorandum of Understanding, Institutions J and K worked together more deeply to discuss what the post-acquisition institution would look like. While the Presidents, a few Board members, and the CFOs were involved in the early stages, this stage included engagement of the broader campus communities. The acquisition was also shared with the state Board of Regents and made public outside of the institutions. As Institution K conducted their due diligence, they learned that the financial health of Institution J was not what they had expected. At this time, Institution K ended the discussions (ended the “engagement.”) and Institution J eventually closed.

# THE ENGAGEMENT



## Leaders described how they utilized their TPF funds to explore their partnership.

While each institutional leader's experience with their partnership process varied, their TPF catalytic grant funds were primarily used to conduct thorough due diligence for potential mergers/acquisitions, including **jointly hiring external experts such as higher education consultants, financial analysts, lawyers, and communication specialists.** Leaders focused on hiring experts who would provide unbiased and strategic advice, and critical and direct feedback (even if it was difficult to hear) to ensure that their decisions were made with a comprehensive understanding of their options. When describing the value of their higher education consultant, one leader shared that they valued the way their consultant could, "Tell me what [they] felt, irrespective of whether [they] thought that I was going to like it or not... it really helped a great deal." Similarly, another leader shared, "They (the consultant) knew exactly what they were doing. They really walked us through [each] stage in terms of [what] we need to do... And it was very helpful." Leaders appreciated that the SeaChange team did not dictate which experts should be hired; instead, the team provided recommendations when requested.

Leaders **faced internal pressures to manage daily responsibilities while simultaneously engaging in merger/acquisition discussions and processes.** For many leaders, the external experts helped streamline processes as they continue to meet their official responsibilities, while also engaging in their partnership work.



*"I think what TPF money allowed us to do was be a little bit selective about who we got for our consultant and for our legal advisor. We didn't feel like we just had to take anybody at the lowest price possible... We ended up with a law firm that was experienced in nonprofits, transactions, [and] in education."*

-Institutional Leader

# THE ENGAGEMENT



## Leaders described the types of external experts most commonly used in their exploratory partnership work using TPF funds.

### Type of External Expert

### Support Offered

#### Higher Education Consultants

Institutions hired consultants with prior knowledge of higher education broadly, along with knowledge of individual institutions specifically, to add efficiency to the exploratory process and to reduce the need for extensive onboarding. For example, a leader explained that their, “*Institution was considering a partnership with several [institutions], and [the consultant] knew the leaders at all of those institutions.*” These consultants often had strong listening and facilitation skills needed for the complex discussions throughout the process.

#### Financial Analysts

Institutions hired financial consultants to conduct various analyses, including the development of multi-year financial pro formas and projections to support merger feasibility, and verification and validation of financial plans and data. One leader shared that their financial consultants attended planning sessions that were occurring between both institutions to share their preliminary and final findings. The findings were “*Critical to decisions being made by both institutions, and also the information that was being requested by the regional accrediting body, which was the same body for both institutions.*”

#### Lawyers

Institutions hired lawyers to draft necessary documents (including non-disclosure agreements and memoranda of understanding), guide negotiations, and ensure that agreements met all required standards. This added a layer of confidence in the merger/acquisition process. As they described their experience, one institutional leader shared that there “*aren't a lot of legal firms that have people who know how to do these things (mergers) in the nonprofit world, let alone in higher ed. So, they tend to get expensive legally... which is why we chose to use at least part of the money to [hire a lawyer].*”

#### Communication Specialists

Institutions hired communication specialists to manage public relations and coordinate messaging internally and externally, ensuring consistent and effective communication. During the partnership process, communication specialists ensured that all stakeholders— faculty, staff, students, and Boards— understood the process, changes, and potential outcomes to maintain morale and prevent misinformation.

# THE ENGAGEMENT



**Leaders described the biggest challenges in their exploratory partnership work.**

## Communication and Stakeholder Management

Many leaders shared that **emotional challenges** were prevalent during negotiations and conversations, leading to difficult moments. The process of partnering or closing an institution evoked strong emotions from Board members, faculty, students, alumni, and the community, who felt attached to the identity and legacy of their institution. In instances when Boards were comprised of alumni, there was also resistance attributed to emotional attachments and perceived loss of independence. Clear, proactive communication was needed to manage stakeholder expectations and prevent misunderstandings that could lead to rumors and anxiety.

## Transparency and Trust

Despite initial vetting, there were sometimes issues that surfaced during the engagement process, including perceived incomplete disclosure from partners when verifying financials and other essential details. **Building trust between partnering institutions was critical and challenging**, particularly when there was a lack of transparency. One leader stated, “*While we did vetting and we got information, there were things that we just couldn't get clear and it created challenges.*” Consequently, there were instances when **partners backed out or altered their commitment at advanced stages**, causing setbacks and requiring damage control for their partnering institution.

## Policies and Laws

Institutional leaders explained that **numerous policy and legal requirements from state and federal systems led to frustration, confusion, and greatly increased the partnership timeline**. Sometimes, policies and laws changed during the process, causing even more challenges. One leader explained, “*Grappling with all of those changing rules... took a lot of legal time. Literally in the midst of all of this, there were steps added and things changed and no one, literally no one still to this day, is clear about some of the levels of compliance requirements, checks and balances that need to be done at either the regional, state, or federal level. It just takes up so much time.*”



*“Misinterpretation of communication leads to rumors and anxiety along the way. It always comes down to the personnel and the relationships.”*

-Institutional Leader

# THE ENGAGEMENT



## Leaders described the biggest challenges in their exploratory partnership work (continued).

### Financial Pressures and Strategic Allocation of Funds

Mergers/acquisitions can be **costly financial endeavors that strain budgets and lead to adjustments in operations** to accommodate the expenses. Leaders explained that their mergers/acquisitions also came with the expectation of initial financial deficits, requiring careful long-term financial planning. One institutional leader shared that they discussed that, *“The first two years of the two institutions coming together would probably be deficit years, but we also projected that after that, we would be moving out of deficit.”* External funding from sources like TPF was essential for hiring consultants, legal advisors, and to make more timely/less costly decisions, but was often still insufficient for the full scope of work needed.

### Capacity, Operations, and Logistics

Mergers/acquisitions and associated responsibilities had to be **managed alongside the daily operations** of running an institution, adding to the workload of leaders and staff. Leaders wore multiple hats (managing the institution and leading complex merger discussions). As they entered the integration phase, they faced **challenges related to aligning policies, practices, and systems** between institutions. As they reflected on the process, one leader shared, *“We are continuing to look at ways that we can be more effective together. That can be anything from administrative functions, to academic programs...to aligning some of the software that we use... As we move forward, [we are looking for] opportunities to leverage what resources we have and making it easier for students to move between our institutions.”*



*“Keep in mind that majority of the institutions that go through this process... our resources are limited... having to prepare all the implementation, both to examine the partner university and making sure that they are the right partner... it is time-consuming. At the same time, we have to continue to operate our university. Most of us have to wear multiple hats.”*

-Institutional Leader

# THE ENGAGEMENT



## There are multiple potential outcomes of the engagement process.

Type of Outcome	Description
<b>Come Together</b>	Partnerships may result in mergers/acquisitions (full or partial), sharing of facilities and infrastructure, co-curricular offerings and student services, or business/administrative consolidations. After the exploratory process, one institution may acquire the other, while some institutions become a new (merged) entity that preserves elements of the unique identity of each institution while integrating them into a new, unified system. One leader shared, <i>“Eventually we ended up being merged with [X University]. We went from a private to a public but still kept our name and identity.”</i>
<b>Close</b>	Some institutions included in the interview process ultimately closed. The closures described were not immediate and included early, well-planned, and well-funded teach-outs; and resources to help students transition or complete programs, dispose of the institution’s assets, and ensure the safe oversight of student records and numerous other processes. One leader shared, <i>“The institution is shut down... We have probably [another year] because the closure process takes a long time. We are still in the midst of doing some major things like hiring a broker and working with Christie’s (Auction House) to sell stuff.”</i>
<b>Remain Independent</b>	After the courtship or engagement process, some institutions chose to continue on their own. They focused their efforts toward improving their own internal operations, financial stability, and strategic growth. One leader shared, <i>“That merger was not something that was in the best interest for us.... The work that we had done and the support that [TPF] had given us allowed us to strengthen ourselves even further moving forward. It emboldened us and not in a frivolous way, but in a way that was based on data and what we had discovered about ourselves because we had gone through this great discipline process of looking at our finances and our strategic plan and asking critical questions.”</i>



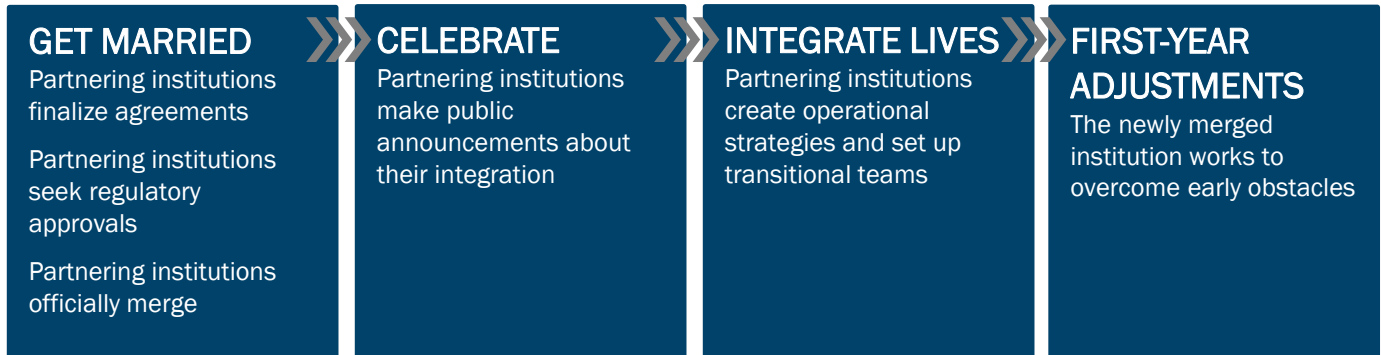
# THE WEDDING



The stage when the partnership (e.g., merger, acquisition) becomes legally binding



Institutional leaders described the third stage of the exploratory process as similar to that of a wedding— where institutions finalize their agreements, get regulatory approvals, and officially merge. They then share the information publicly, create joint operational strategies and set up transitional teams, and work to overcome early obstacles.



## Case Study 3

Institution P was experiencing financial distress and would likely only be able to operate for 18 more months. The new Interim President reached out to local institutions emphasizing resource-sharing and collaboration rather than immediate financial rescue; Institution Q was eventually identified as a potential partner. The institutions were referred to TPF from colleagues and together they received a \$75,000 catalytic grant to explore a partnership. The funds were used by Institution P to hire a consultant to facilitate a due diligence process. Meanwhile, Institution Q’s leadership conducted site visits and financial evaluations and determined it could support Institution P’s operations through closure. The Boards from both institutions were deeply involved in the conversations and signed agreements and discussed specifics of what an acquisition would involve and how much time it would take (they got “engaged”). Institution Q agreed to take over Institution P’s debts, pay them off, and refinance some of their own debt. This would allow them to invest funds into Institution P’s campus so it could be used in the future. After the “engagement” period, both institutions agreed to make the acquisition official (get “married”). They applied for approvals at multiple levels, including with local and state governing bodies. Institution P also created articulations with local institutions so their students could get guaranteed placement, keep their tuition rates, and maintain their financial aid. They were able to place all but 50 students at another institution and graduate the entire senior class. After the official acquisition, Institution P was assumed under Institution Q. The campus was closed and will be updated and utilized by Institution Q in the future.

# THE WEDDING



## Leaders described the complexity of merging institutions.

Once they merge, institutions navigate the complexity of combining different institutional cultures, identities, policies, and practices. A leader reflecting on their current process shared, “We are in that process... we put together 16, maybe 18 transition teams made up of leaders from both campuses, and representatives from both campuses for virtually every area (every major division... academic affairs, business affairs, athletics, student affairs, and so forth). [These] areas of our campuses must come together.”

Newly merged institutions also **decide on crucial leadership structures and roles within the new institutional entity** to foster a collaborative atmosphere. Placing the right individuals in these roles is essential. One leader advised having, “a visionary leader who has more dedication and focus and determination and courage than one could possibly have. And care and passion for each and every one of those students.” **One consequence of a merged institution is the likely loss of one President’s role, given that the new institution cannot have two presidents.** One leader shared, “I looked at this as a marriage, but also as if I was marrying my daughter. I would want her to marry the best person for her, even though he may or may not be good for me. And in this case, for me personally, the merger was not good because I lost my presidency, I lost my job, I lost a community that I love. But nevertheless, I gave away my daughter to the best person where I thought she could be successful and happy.”

During the “wedding” stage, leaders also begin to **focus on growth, space utilization, and strategic alignment.** As they proceeded with their plans, one leader shared how this was an opportunity to take risks and envision that they could **occupy a different space in the higher education landscape:** “Both of us (Presidents at partnering institutions) truly believe that the organization that will emerge from this merger has a really unique and interesting opportunity to define a space in higher ed that really does not exist right now.”



“We’re back to the culture challenges of whose system are we adopting? How are we going to do this and bring everybody along?”

-Institutional Leader

# LONG-TERM RELATIONSHIP



The stage when institutions focus on long-term integration, improvement, and adaptation



Institutional leaders described the fourth and last stage of the exploratory process as similar to that of sustaining a long-term relationship- where the newly merged institution develops a new culture, focuses on leadership and communication, engages in periodic reviews and makes adjustments, and continues to reinforce its new vision and strategy.

## FAMILY TRADITIONS

The merged institution develops a new culture

The merged institution focuses on leadership and communication strategies



## WORK ON RELATIONSHIP

The merged institution engages in periodic reviews and makes adjustments



## GROW TOGETHER

The merged institution reinforces its new vision and strategy

## Case Study 4

Institution Y and Z were in the early stages of discussing a partnership when a senior leader at Institution Z watched a webinar including a staff member from SeaChange. Leaders from both institutions began conversations with the SeaChange team and received a \$100,000 catalytic grant. They used the funds to hire consultants to conduct due diligence and provide legal advice. The institutions explored “*how to retain some of the institutional identity on each side of the equation, but come up with a better operating model for the future.*” After two years of discussions and planning work, the institutions merged legally and are known as Institution Y at Institution Z. All employees became employees of Institution Z. Until the accreditation and academic program merger is officially approved by the Department of Education, students from Institution Y will still receive a degree from their own institution. As the institutions continue to partner and leverage each others strengths, they are going to focus on offering a wider range of degrees, ensure that students from both institutions feel welcome at both campuses, and better utilize the physical spaces in both locations that will benefit students and staff and also further symbolize the merger.

# LONG-TERM RELATIONSHIP



**After the official “wedding,” leaders explained that there continue to be regulations that may take years to complete.**

Once institutions merged, there are some key steps and pieces of the process that leaders still have to navigate. For example, **institutions are subject to regulatory and legal processes and approvals** at the state and federal levels. This includes interactions with regional accrediting bodies and the Department of Education. These multi-phase **processes can span months or years**. A leader shared, “We’ve done a lot of planning on the vision for the future. We have queued up a lot of academic program additions that we’re going to be anxious to launch as soon as the Department of Ed gives us the final confirmation.”

At this stage, leaders explained that **institutions still rely on significant external resources to navigate the legalities of mergers**, including hiring law firms and experts to prepare applications and comply with regulations. One institution leader shared that after two years “it’s still a little confusing because of the two-step process that the Department of Education introduced that we fell under... We did the legal transaction, the corporate merger, with the Department of Education sort of allowing the full academic integration. We’re waiting for their response to our application.”



*“We’re in month 10 of waiting for our response from them (the Department of Education). And that’s what I’ve been hearing with everybody I’m speaking to. It’s such a long, legal, lengthy, complicated process.”*

*-Institutional Leader*

**Institutions with endowments also begin the process of obtaining board approvals** and the complex legal transfer of funds. One leader described, “You have to take your plans for the distribution of the endowment to them and get them approved...it could be hundreds of donors to get their authorization to transfer the endowment funds to the new institution.”

# LONG-TERM RELATIONSHIP



Leaders described how they believe their institutional partnerships will impact students in the long term.

Institutional mergers and acquisitions have direct implications for students. Whether institutions are acquired by one entity, merge to create a new entity, or close, students can experience new opportunities or detrimental effects with their experiences and their ability to complete their programs.

Of the 15 transactions included in this report, 8 resulted in formal partnerships. Leaders from seven of these partnerships noted that it was too early to assess official impact of the changes on student outcomes. However, all of them were hopeful about the future. A leader from the eighth institution shared that after their merger/acquisition, they had already experienced an increase in student enrollment and retention.

Leaders provided examples of the changes they hope to see as a result of their partnerships. Specifically, multiple leaders noted that partnerships positioned their institutions for long-term growth by facilitating diverse academic offerings and providing comprehensive career preparation for students. One leader explained, “We’re going to be able to put in place degree programs that are going to give a much better career path.” Another leader shared how mindsets about the preparation they offer has shifted: “We prepare students for careers, but if we’re brutally honest with ourselves, we’re preparing people for very entry-level positions... jobs that don’t have a lot of upward trajectory. [After a partnership with University X we can offer] programs and training for jobs that have a much longer trajectory. That’s what’s going to serve our students.” Leaders also shared that being part of larger, more resource-rich institutions ignited student enthusiasm and motivation. For example, a leader noted that students are “excited. They want to start getting together to socialize, and we are... spending time on each other’s campus. They look forward to being able to take some online courses from one campus or the other that might not have been available [in the past]... So, the student experience and expectations are very positive.”



[The partnership] “has enabled [us] to invest in curriculum, advising... and really look at where we need to make investments that would more effectively support our students and their needs.”

-Institutional Leader

Leaders are hopeful that their partnerships will lead to:

- ↑ number & types of academic offerings
- ↑ comprehensive career preparation
- ↑ enrollment & retention rates
- ↑ student enthusiasm & motivation

# ADVICE FOR INSTITUTIONAL LEADERS

Leaders who went through the partnership process provided advice for other institutional leaders going through the transformational partnership process.



## DURING THE COURTSHIP STAGE

### **Don't Wait Too Long to Begin Exploring Options**

*"If your enrollment is going down year after year after year, don't wait until you're at the end of your rope and you only have three months of cash left. Don't be one of those institutions that end up having to put locks on their doors and people don't even know what happened or students are left completely up in arms. To me, that is criminal almost."*

*"You can't wait... I think you have to have a minimum of a three-year window. What's happening beyond that third year? If I can't see my way to that third year, I should be having as many conversations about what future alternatives there can possibly be."*

### **Have Authentic Conversations about What You're Willing to Do or Not Do**

*"There has to be an authentic, open conversation and not use euphemisms to what you're trying to do. Don't tell me 'collaboration.' Are you willing to sell? If you're willing to sell, that's a different conversation with a partner then 'let's see if we can buy paper together.' Or are you wanting to buy? So, mergers and acquisitions in their authentic definitions are important."*

### **Figure Out What Unique Strengths You Bring to the Table**

*"Look at yourself and say, 'what do we have to offer?' We had this gorgeous campus that we had to offer to an institution that was landlocked, had built out everything it could, and still needed to grow."*

### **Allocate Funds for this Process**

*"Anybody that is thinking of doing it, they need to prepare a sizable amount of money to even start the process. I'm talking about hundreds of thousands of dollars that are spent in a process like this."*

### **Get In Touch With People Who Have Been Through This Experience**

*"Get in touch with people who are in the process ahead of you. Get a reality check."*



## DURING THE ENGAGEMENT STAGE

### Hire Consultants Who Understand Your Context and Priorities

*“Find someone external that can help you think through this and can keep it confidential. Something like what [TPF] is doing... that their payment is not based on whether this is successful or not but rather whether the right process and the right questions are asked. Whether this happens or not, that should not be the ultimate goal. The ultimate goal is that we are doing the right thing for the students, the employees, and the institution. And maybe also the greater good of the stakeholders we serve, our community.”*

### Find the Right Partner

*“Find a like-minded partner. Boy, it really makes things a lot easier. That's the thread that held us together through some difficult stages. Our Boards were very much aligned because our criteria were similar. That mission alignment, the focus of our work, and how we approach students held us together.”*

*“When approached by another partner, I would consider this question of: Does one plus one make two, three, or four...or does one plus one make a negative number or a zero.”*

### Integrate the Board of Trustees Early in the Process

*“If we integrated the Board [from both institutions] a little bit earlier, I think it may have been a better outcome.”*

### Truly Understand What is Going on

*“Do the hard work... the Board should have the best understanding of what is important in their college community, and they should also ultimately have the fiduciary responsibility for the institution. To me, the process was very much about taking responsibility.... I was the leader at a time when we had a college that wasn't self-sustaining. I wanted to turn over every rock and truly understand what I was seeing under there.”*

### Make Difficult Decisions

*“MAiD is a Canadian practice... it's Medical Assistance in Dying. I said to the Board, ‘Look, folks, what you're really doing is you're helping something die that needs to die. And you can either do that in a way you're ashamed of, or you can do it in a way you're proud of. I think there's too much shame around institutions closing because people feel they've failed when, like people, institutions come and go. These things happen and we ought to make them happen in a reasonably humane, reasonably intentional way. In order to do that, my real piece of advice is you have to know under what circumstance survival is unacceptable, which is why I use the MAiD [example]. If survival is worse than not surviving, then you choose not surviving.”*

### Maintain a Positive Attitude

*“I know that closing is a crisis, but it's also a transformation. So, let's treat it like a transformation.”*



## DURING THE WEDDING STAGE

### Focus on Honest and Clear Communication, Internally and Externally

*“We were advised by a communication firm not even to meet with our students, just send them an email. Same thing to employees, just send them an email. There were [specific number of] students, I knew them all. To me, you have to communicate and you have to stay in the room...you do not leave until the last student leaves. I don’t care that people are mad with me. You cannot let the legal drive your ethical and communicative and emotional behavior.”*

### Don’t Forget the Employees

*“Push [for] more benefits for the employees... In mergers I don’t know of any organization that is looking out for the employees. The Higher Learning Commission (the accrediting body), is always asking [about] the integrity of the programs and services to students... but what no one is thinking about is the employees. Could we be doing something better for the employees such as protecting them a little bit longer? Because some of them will ultimately lose their jobs.”*



## DURING ANY STAGE

### Don’t Forget There are People Involved

*“We had to give people a lot of space to feel sad and frustrated and whatever they felt about the fact that they had to come to grips with the reality that things had to change for the school to continue to thrive.”*

*“It always comes down to the personnel and the relationships.”*

### Encourage Leaders to Take Care of Themselves and Their Teams

*“You’re going to screw up. Don’t be too hard on yourself.”*

*“Leaders need to take care of themselves. My immediate predecessor was clearly not sleeping and not taking care of herself. Figuring out how to help [yourself] would be a good thing to do.”*

*“If I was to do it all over again, I would have hired a therapist because this is an emotional roller coaster. These colleges are colleges that we love, that’s why we’re there. People that we love, faculty that we love, students that we love... It’s an emotional roller coaster for the President as well as the community. My advice is to get a therapist for yourself, for your faculty, for staff.”*



# EXPERIENCE WITH TPF

Institutional leaders provided positive feedback about their experiences with TPF, with few recommendations for improvement

## TPF Application Process

Leaders believed the TPF application process was easy and had only a few suggestions for improvement

- *“It was very smooth, easy to understand...the responsiveness of the [team] at SeaChange was impressive.”*
- *“This process was fabulous... it was quick. They (SeaChange team) were really clear about what they could fund and what they couldn't fund... the process of it actually helped us decide.”*

### What is Working with TPF's Application Process?

- **Direct communication** with TPF decisionmakers helped institutions navigate complex processes.
- **Trust and transparency** allowed institutions to candidly share their needs and receive direct feedback.
- The application process was generally regarded as **straightforward with thoughtful questions**, and without being burdensome or with excessive strings attached.

### What are Opportunities for Improvement with the TPF Application Process?

- Questions/data requests in the **application sometimes caused confusion**, (e.g., student count requests (full-time vs. census)).
- Providing **specific financial details** was challenging for institutions with limited access to individuals in certain roles within their institutions (e.g., CFOs/ accounting teams).
- The **maximum funding amount did not align with the actual financial needs** for the full partnership process (especially for smaller institutions with fewer resources).

## Helpfulness of the Fund and Associated Supports

Leaders appreciated not only the financial support from TPF, but also the advice and referrals provided by the SeaChange team

- Institutional leaders from all transactions agreed TPF allowed them to reach more timely/less costly decisions.
- One institutional leader shared that their affiliation with SeaChange created an opportunity for additional support from another national funder. The funding from TPF indicated to the other funder that the institution *“had been vetted... and [were] credible.”*
- *“[SeaChange staff member] and SeaChange are such a font of knowledge and they're obviously using their experience to shape and give advice, and give money.”*
- *“TPF helped us identify resources (both human and capital) to navigate the process. It was reassuring having a partner to work through the process together.”*
- *I think [SeaChange staff member] probably knows at this point almost everything there is to know about the various varieties of affiliations and partnerships that are happening in higher education today... I can't think of anybody who'd be better at it than [SeaChange staff member].”*

# EXPERIENCE WITH TPF

## Experience with the SeaChange Team

Leaders provided glowing feedback about the SeaChange team, noting that they were knowledgeable, responsive, approachable, and warm

- “And we could always count on [SeaChange staff member]. We knew exactly where they stood, and where the funds stood...They're very responsive to our questions and what could and could not be done. “
- “What's been great is their follow through...they seem very interested in seeing us succeed.”
- “Very helpful, very encouraging, very positive.”
- “[SeaChange staff member] was very reassuring... like a temporary mentor for a while...so those kind of temporary, caring relationships matter when you're trying to move quickly and repair something.”

## Feedback for TPF

Leaders provided feedback about ways in which TPF could continue to improve

- **Offer Additional Advice and Resources-** While appreciative of the current resources provided by TPF, leaders requested additional advice about the partnership process and resources (e.g., list of previous Presidents who would be willing to talk to those currently going through the partnership process).
- **Reconsider the Funding Amounts-** “Maybe they (TPF) want to... exercise judgment as to whether everybody gets the same amount of money.”
- **Engage in More Advocacy Work-** “Maybe SeaChange could think about doing [more] with their advocacy... the state system ought to be supporting this kind of endeavor from economic development standpoints. There's just not a lot of awareness.”
- **Include More Institutional Presidents on the SeaChange Board-** “Getting some more Presidents or others too on their Board from diverse organizations would be something I would definitely recommend.”
- **Publicize More-** “I've yet to find anybody who's ever heard of them (SeaChange). I stumbled upon them. I don't know how people get access to the opportunity.”

**TPF's Net Promoter Score\***  
**= 100**

When leaders were asked on a scale of 0 (not at all likely) to 10 (extremely likely) whether they would recommend TPF to other institutions, 100% of participants chose 9 ( $n = 1$ ) or 10 ( $n = 14$ ), which makes them “promoters.”

\*The Net Promoter Score (NPS) measures how likely institutional leaders are to recommend TPF to other institutions using a scale ranging from 0 (not at all likely) to 10 (extremely likely). The NPS is calculated by subtracting the percentage of “promoters” (those who chose ratings of 9-10) who are loyal clients who will keep promoting TPF from “detractors” (those who chose ratings of 0-6) who are unhappy clients; “Passives” clients (those who chose ratings of 7-8) are satisfied but unenthusiastic. TPF's NPS of 100 indicates extremely loyal and enthusiastic clients.

# RECOMMENDATIONS

TPF provided funding that supported institutions through a difficult time in their journey. By offering financial supports, safe and confidential places for discussion and brainstorming, and referrals... all with warm and knowledgeable staff, quick turnarounds, and without excessive strings attached, TPF provided essential supports to leaders and institutions when they needed it most. Given the shifting landscape of higher education when more and more institutions are expected to merge or close, it is essential for funders and institutional leaders to intentionally offer and seek supports and remember that there are real people involved.

Based on feedback from leaders who have been through the partnership process, the following key recommendations are suggested for other: (a) institutional leaders considering partnerships and (b) funders considering supporting institutions in their transformational partnership journeys.

## Leaders recommended that other institutional leaders should:

### Take a proactive approach and seek all available supports

- Leaders should seek support from funders, other leaders who have gone through the experience, expert consultants, therapists, and support networks.
- Leaders should be transparent about impending issues with key leaders and Boards (if possible) as they will need to be involved in and support the process.

### Remember that there are real people with genuine emotions involved

- Leaders should create space and time in partnership plans that account for the ways in which students, faculty, alumni, and Boards may respond or react to impending changes.

## Leaders recommended that other funders should:

### Increase awareness of the supports available to institutions

- Funders who are supporting this work should include information more prominently on their websites and in their materials.
- Funders should promote the types of support available at conferences, convenings, webinars, podcasts, and other settings to ensure that leaders can have equitable access to the information and resources.

### Take a trust-based and minimally-invasive approach to support institutional leaders

- Funders should find ways to minimize burden in the application and due diligence process, ensure that key decision makers are accessible to expedite the process, and be transparent regarding what will and will not be funded.

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