

2026 Presidents Institute

# A Deeper Purpose



January 4-7, 2026 ■ Signia by Hilton Orlando Bonnet Creek ■ Orlando, FL



The Council of Independent Colleges

# Strategic Combinations and Partnerships

# Presenters

- **Walter Iwanenko Jr.**  
President  
Gannon University (PA)
- **David King**  
President  
Ursuline College (OH)
- **Amy Novak**  
President  
St. Ambrose University (IA)
- **Todd Olson**  
President  
Mount Mercy University (IA)
- **Jonathan Tarnow**  
Partner  
Faegre Drinker Biddle & Reath LLP

# Gannon University and Ursuline College

**Walter Iwanenko**  
President  
Gannon University

**David King**  
President  
Ursuline College

## GANNON UNIVERSITY

- Founded in 1925
- One of seven diocesan universities in US
- Campuses in Erie, PA and Ruskin, FL
- Total enrollment: 3,897
- Degrees offered
  - 63 Bachelor's
  - 8 Pre-Professional
  - 14 Cooperative
  - 8 Associate's
  - 30 Master's
  - 4 Doctoral
- 589 Full-Time Employees
- Annual budget: \$96 million
- Endowment: \$90 million



## URSULINE COLLEGE

- Founded in 1871 by Ursuline Sisters of Cleveland
- Women Focused with 86% Female Population
- Total enrollment: 954
  - Undergrad: 638
  - Grad: 316
- Liberal Arts Focused
- 65% of Undergrads are Nursing Majors
- NCAA Division II Athletics
- Annual budget: \$33 million
- Endowment: \$49 million



# What We've Done

- ✓ Change of Control happened June 30.
- ✓ Key filings made to U.S. Department of Education for Change in Ownership.
- ✓ Working toward completing the merger in June 2026 (instead of Dec. 2026).
- ✓ Executed several shared services agreements.
- ✓ Integration teams are continuing their work.

# What Needs to Be Done

## ✓ In Progress:

- Ohio Department of Higher Education – Certificate of Authorization
- Middle States Commission – Supplemental Information Report
  - **Site Visit:** *November 13 – 14*
- Higher Learning Commission
  - **Site Visit:** *November 3 – 4*
- NCAA

# St. Ambrose University and Mount Mercy University

**Amy Novak**

President  
St. Ambrose University

**Todd Olson**

President  
Mount Mercy University

Vision: St. Ambrose University in combination with Mount Mercy University will be a **vibrant, sustainable, and learner-focused model for Catholic higher education**, preparing individuals from all walks of life to lead lives of courage, wisdom, justice, service, and mercy

**SAU became the parent company of MMU in June 2025**

**Located 90 miles apart in Cedar Rapids, Iowa and Davenport, Iowa**

**Integrating Back-Office, Curriculum, Academic Organization, Organizational Structure, and Core Curriculum**



<b>Total Undergraduate Enrollment</b> SAU 1,885 MMU 1,187 <b>TOTAL 3,072</b>	<b>Total Graduate Enrollment</b> SAU 532 MMU 251 <b>TOTAL 783</b>	<b>Total Enrollment</b> SAU 2,417 MMU 1,438 <b>TOTAL 3,855</b>
<b>Total Retention</b> SAU 77% MMU 75%	<b>Total Revenue</b> SAU \$73.8M MMU \$28.8M <b>TOTAL \$102.6M</b>	<b>Total Endowment</b> SAU \$261.9M MMU \$44.5M <b>TOTAL \$306M</b>



# Legal and Regulatory Landscape

**Jonathan Tarnow**

Partner

Faegre Drinker Biddle & Reath LLP

# Higher Ed Consolidation is Here



## Higher education's big test: Proving the value of college degrees

Jamie Merisotis • April 1, 2025



October 27, 2025

## The Enrollment Cliff Is Worse Than We Think

The challenge is far greater if we pay attention to college-readiness data.

HIGHER EDUCATION

## EDUCAUSE '25: Federal Policies Spell Big Change for Higher Ed

The American Council on Education's Jon Fansmith anticipates major impacts on higher education from federal policies such as the reconciliation bill, the government shutdown and the targeting of international students.

October 30, 2025 • Abby Sourwine

## Degree-Granting College and University Closures, 2008-2024

Private For-Profit Private Nonprofit Public



Source: Federal Student Aid Office and SHEEO via The Hechinger Report<sup>[1]</sup>



The Council of  
Independent Colleges

A Deeper Purpose

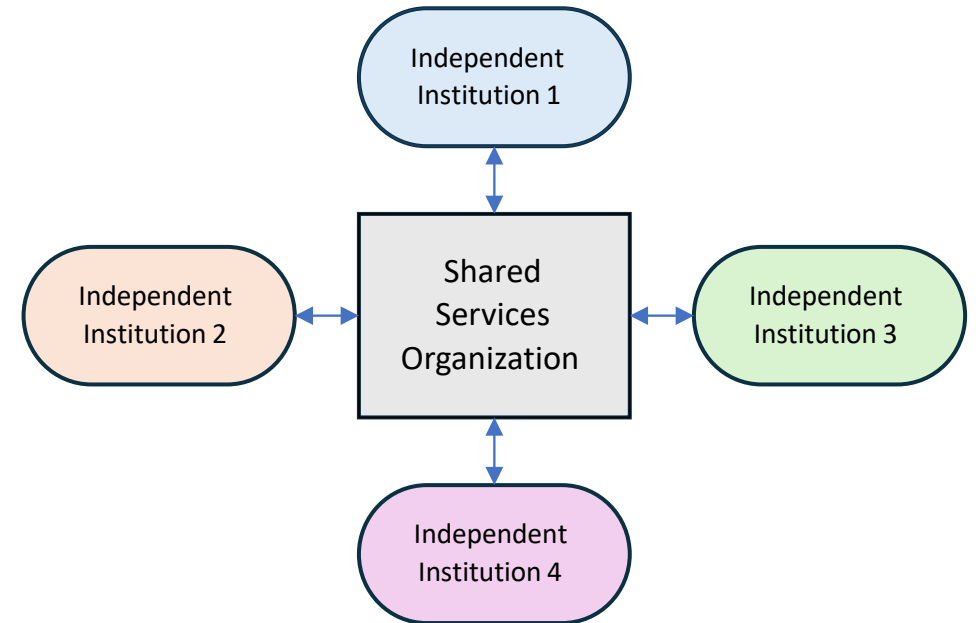
2026 Presidents Institute

# Common Structural Approaches

- **Structures Without an Institutional Merger:**
  - Traditional affiliation/consortium agreements.
  - Shared Services Organization (SSO) among independent institutions.
  - Affiliated-but-distinct institutions under common control
    - “One-step” change in ownership process with regulators.
    - Can be the foundation for (or expansion of) system of commonly-controlled institutions.
  - Program-only asset transactions (typically in conjunction with a teach-out agreement).
- **Structures With an Institutional Merger (whether in form or substance):**
  - Acquire common control and then subsequently combine institutions through the currently required “two-step” change in ownership process.\*
  - Formal closure of one institution with a conveyance of assets to effectuate functional continuity.
    - May occur with or without teach-out by the surviving institution (with teach-out being preferred for various regulatory purposes).

# Shared Services Organization

- Traditionally a joint venture form of consortium to consolidate certain “non-core” administrative functions that service each of the participating institutions.
- Institutions remain distinct from one another, with independent governance, Title IV OPE ID numbers, accreditations and state authorizations.
- Each institution retains full control over its “core” operational functions and activities (most importantly anything related to mission, governance and academics).
- Legal and regulatory liabilities generally retained by each consortium institution, except for liabilities arising from the SSO (in which case the SSO may be jointly liable).
- Structure can be designed to permit collaboration (but not control) across the consortium.



# Critical Legal Considerations for Mergers and other Strategic Combinations

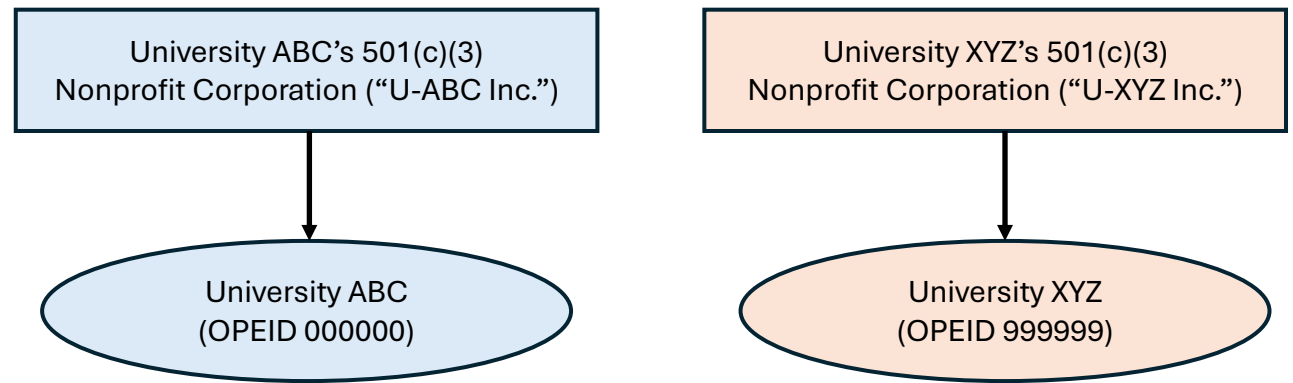
- Multiple regulatory approvals from the U.S. Department of Education (ED), applicable institutional and programmatic accrediting bodies, and applicable state authorizing agencies generally will be required under all approaches.
- Creating a new legal “parent” entity to hold institutional assets generally will cause ED to impose a typically substantial letter of credit.
- *Functional combination (colloquially a “merger”)* of two higher education institutions *does not require* a transaction to be structured as a *legal merger*.
- In many if not most circumstances, a legal conveyance of institutional assets (which in turn results in a functional combination/merger) is highly preferable over a legal merger.
- Students and prospective students generally must be notified in advance under any structure, including notice of the option to not participate in any associated teach-out.

# Concept of Nonprofit Corporate Ownership

- For ED (Title IV federal student aid), accrediting agency and other regulatory purposes, there is a technical regulatory distinction between the institution and its legal nonprofit operating corporation:

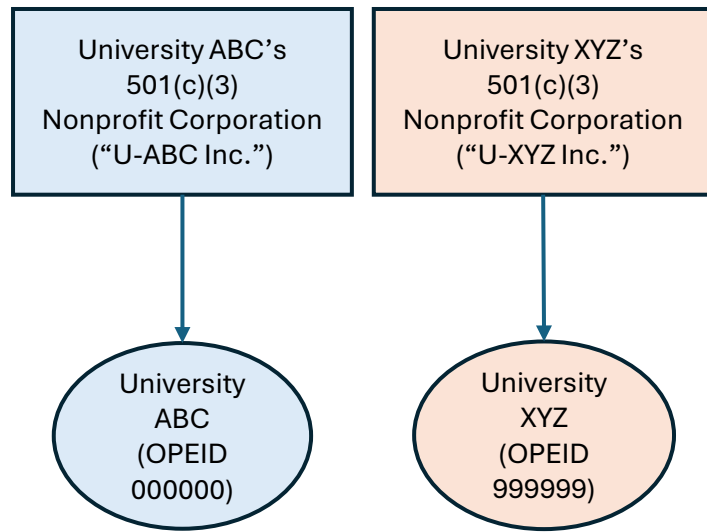
*Nonprofit Operating Corporations  
("Ownership Entities"):*

*Authorized, Accredited and  
Title IV-Participating Institutions  
of Higher Education:*

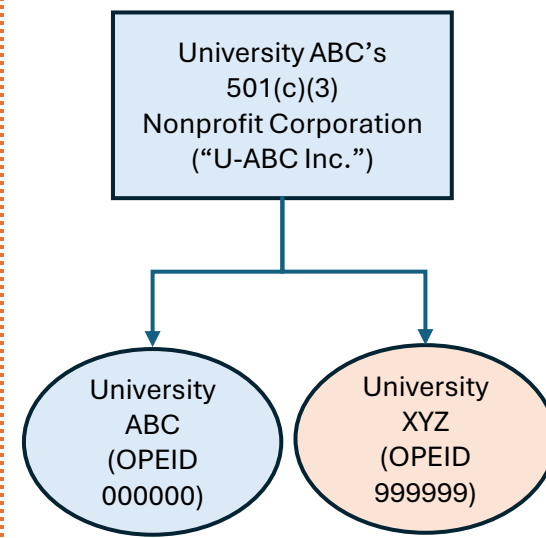
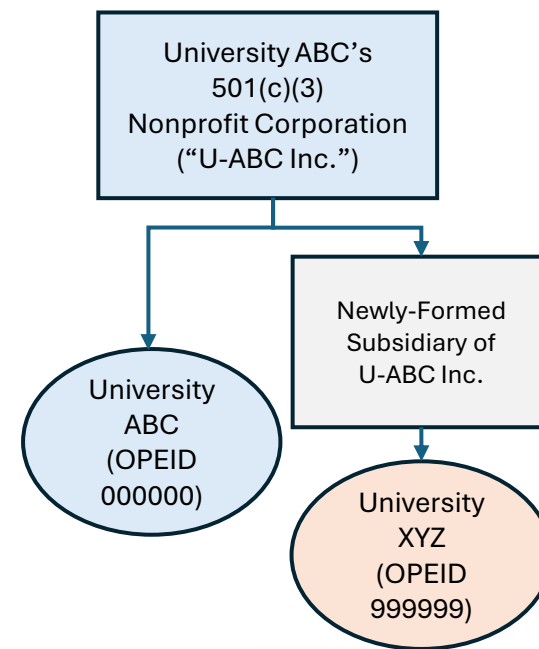
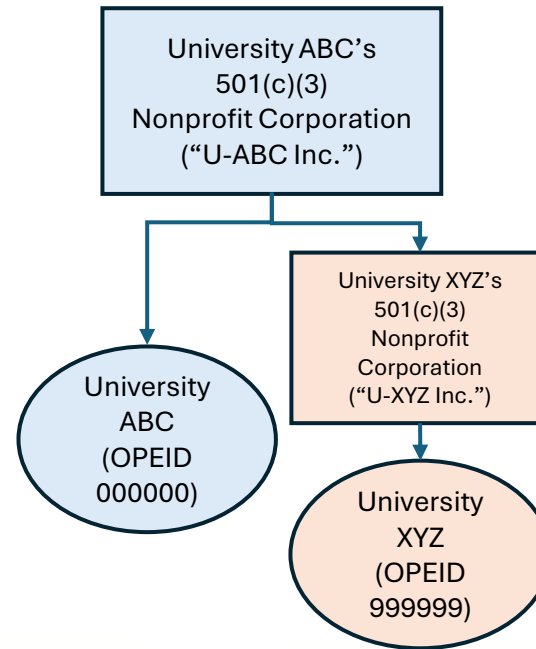


# Common Legal Control Without Institutional Merger ("One-Step" Change in Ownership)

## Pre-Transaction

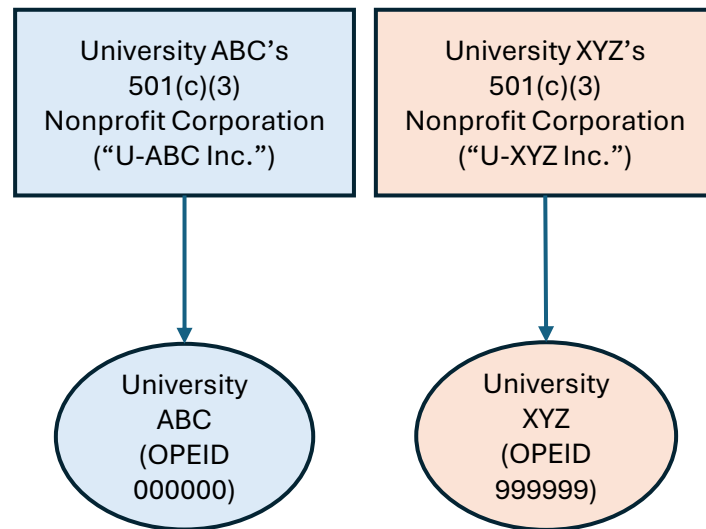


## Post-Transaction (Three Alternatives)

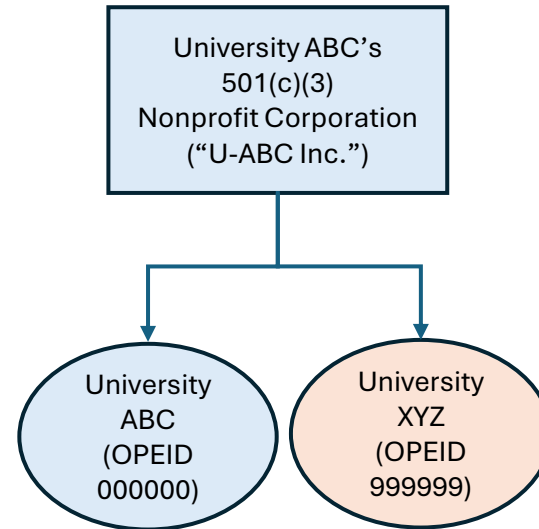


# Institutional Merger via Current “Two-Step” Change in Ownership Process\*

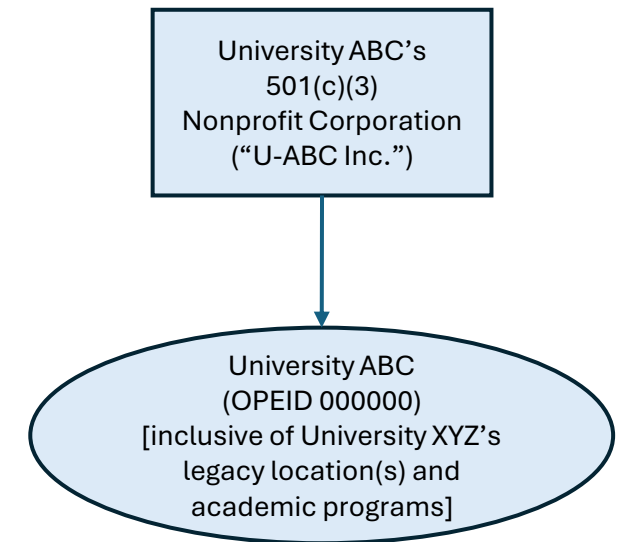
## Pre-Transaction



## After Step 1 Combination of Nonprofit Operating Corporations (via Merger or Asset Acquisition)

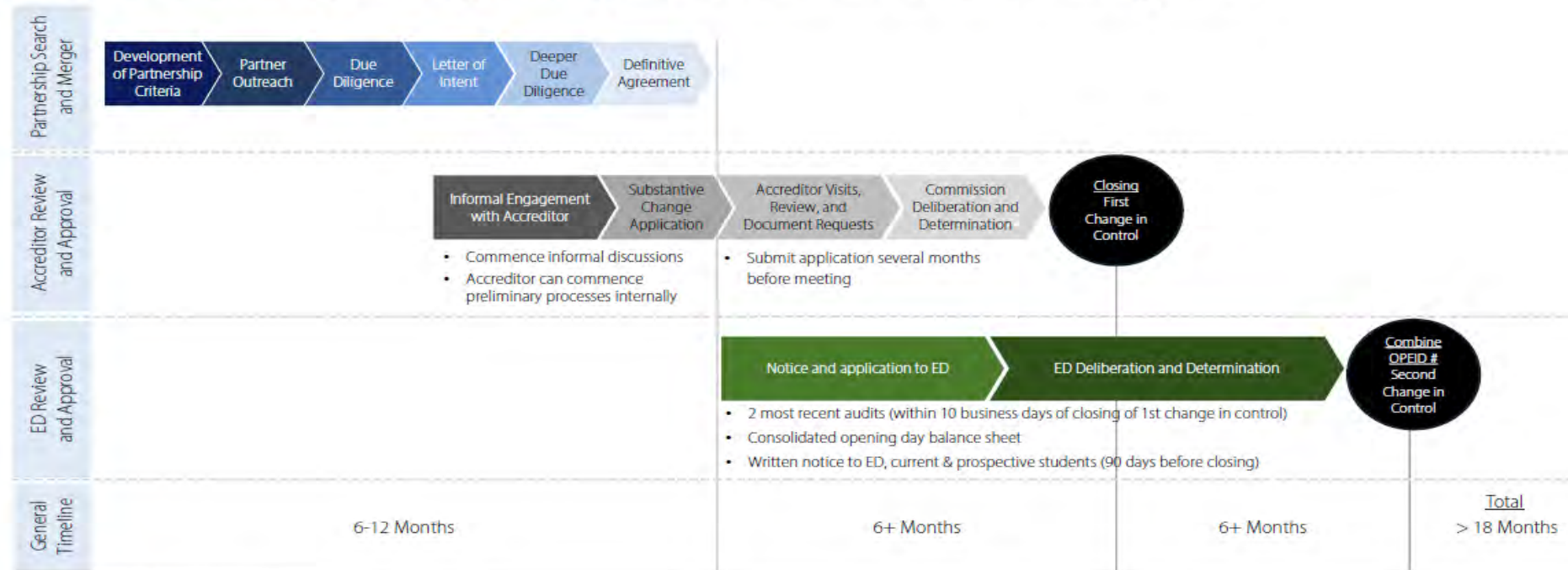


## After Step 2 Institution Level Combination (OPEID Merger)



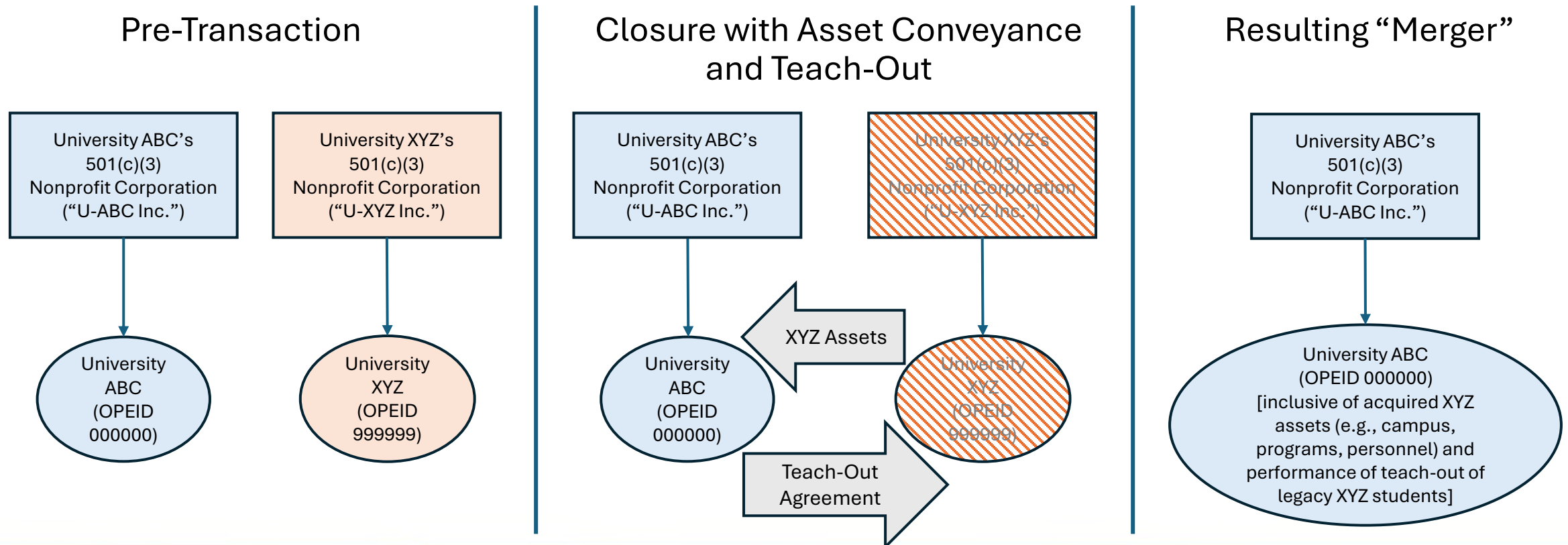
# Institutional Merger via Current “Two-Step” Change in Ownership Process\*

## Merger Partner Search, Two-Step Process, and Accreditor and ED Review and Approval



Source: HilltopSecurities.

# Institutional “Merger” via Closure with Asset Conveyance and Teach-Out



# Some Comparative Pros and Cons

- **Institutional Merger via Current “Two-Step” Change in Ownership Process**

- **PRO:** Relatively simpler legal agreements involving transfer of most (if not all) assets and liabilities.
- **PRO:** May lessen need for third-party contract assignments; may simplify endowment transfer requirements (depending on structure and applicable state law).
- **PRO:** Avoids potential regulatory and public perception issues that arise from a formal “closure.”
- **CON:** Less ability to avoid carry-over of legacy legal or regulatory liabilities.
- **CON:** Longer timeframe for regulatory approvals and ultimate integration.

- **Institutional “Merger” via Closure with Asset Conveyance and Teach-Out**

- **PRO:** Potentially more complex legal documentation, but which can more readily exclude assets, contracts, real estate, etc. that is not desired to be maintained.
- **PRO:** Greater ability to avoid carry-over of legacy legal or regulatory liabilities.
- **PRO:** More streamlined regulatory approvals and quicker ultimate integration.
- **CON:** Usually requires more third-party contract assignments; more complex endowment transfer.
- **CON:** Perceptions associated with a “closure” even if the mission and legacy will continue.

# Interactive Discussions

# Interactive Discussion Topics

1. What makes the idea of a combination appealing right now for my institution?
2. What are barriers to even beginning the exploration of such a partnership?
3. What strengths and assets does my institution bring to such a partnership?
4. Where is my board's thinking and understanding on this issue?
5. What are we looking for in a potential partner – what synergies, new strengths, or opportunities would work well?
6. What are the potential barriers or downsides of such a partnership?
7. What does it look like for my institution to be “ready” to partner?
8. What is the final outcome we are aiming for with this partnership?

# Q&A

# Thank you for attending this session!